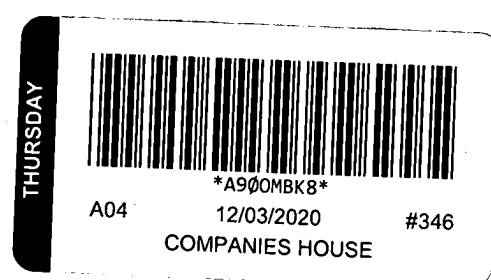


Holt Midco Limited

**Annual report and financial
statements**

Registered number 11208793

For the period ended 31 December 2019



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Company Information

Company secretary Mr B T Lee

Registered number 11208793

Registered office Helping Hands House
10 Tything Road West
Kinwarton
Alcester
Warwickshire
B49 6EP

Independent auditors Grant Thornton UK LLP
The Colmore Building
20 Colmore Circus
Birmingham
B4 6AT

Strategic report

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

During the period the Company incurred a retained loss of £4.7 million (2018: £2.0 million).

The balance sheet of the Company is shown on page 9. There have been no significant events since the end of the financial period which should be considered for a complete understanding of these financial statements.

Principal risks and uncertainties

The Company acts as an intermediate holding company for Holt Holdco Limited and as such holds an investment in Midshires Care Holdings Limited.

Financial instruments risks

The key risk for the company relate to the performance of its investments. The Company oversees the operation of its investments to ensure that they perform as expected.

Signed by order of the board on

27/2/20.



T Lee
Director

Directors' report

The directors present their annual report and the audited financial statements for the 15 month period ended 31 December 2019. The comparative period is for the 8 month period ended 30 September 2018.

Results and dividends

The loss for the period, after taxation, amounted to £4.7 million (2018: £2.0 million) which was in line with expectation.

The total distribution of dividends for the period ended 31 December 2019 was £nil (2018: £nil).

Directors

The directors who served during the period and subsequently were:

T Lee

B Lee

Qualifying third party indemnity provisions

The company has provided qualifying indemnity provisions in respect of the board of directors which were in force during the period and at the date of this report

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

On 21 October 2019, Grant Thornton UK LLP were appointed as auditor.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Grant Thornton UK LLP will therefore continue in office.

Signed by order of the board on

27/12/20


B Lee
Director

Helping Hands House
10 Tything Road West
Kinwarton
Alcester
Warwickshire
B49 6EP

Statement of directors' responsibilities in respect of the strategic report, directors' report and the financial statements

The directors are responsible for preparing the strategic report and directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Holt Midco Limited

Opinion

We have audited the financial statements of Holt Midco Limited (the 'company') for the period ended 31 December 2019 which comprise the Profit and loss account and statement of comprehensive income, the Balance sheet, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

The impact of uncertainties arising from the UK exiting the European Union on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with a course of action such as Brexit.

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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report to the members of Holt Midco Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, 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 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 company or to cease operations, or have no realistic alternative but to do so.

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

Independent auditor's report to the members of Holt Midco Limited (continued)

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.

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

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.



Matthew Buckingham
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

Date: 5/3/20

Profit and loss account and other comprehensive income
For the 15 month period ended 31 December 2019

	<i>Note</i>	2019 £000	2018 £000
Interest payable and similar charges	4	(4,706)	(1,990)
Loss before taxation		(4,706)	(1,990)
Taxation		-	-
Loss for the financial period		(4,706)	(1,990)

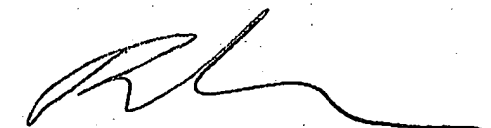
There was no other comprehensive income during the period (2018: £nil).

All amounts relate to continuing operations.

Balance sheet
At 31 December 2019

	Note	£000	31 December 2019 £000	£000	Restated 30 September 2018 £000
Assets					
Investments			-		-
Non-current assets			-		-
Current assets					
Debtors	6	119,139		119,041	
Current assets		119,139		119,041	
Total assets			119,139		119,041
Equity					
Called up share capital	8		29		29
Profit and loss account			(6,696)		(1,990)
Total equity			(6,667)		(1,961)
Liabilities					
Creditors: Amounts falling due within one year	7		82,354		-
Creditors: amounts falling due after more than one year	7		43,452		121,002
Total liabilities			125,806		121,002
Total equity and liabilities			119,139		119,041

These financial statements were approved by the board of directors on 27/2/20 and were signed on its behalf by:



B Lee
Director

Company number: 11208793

Notes

(forming part of the financial statements)

1 Accounting policies

Holt Midco Limited (the “Company”) is a private limited company, limited by shares and incorporated and domiciled in the UK. The address of the registered office and company number are given in the company information of these financial statements. The nature of the company’s operations and principal activities are described in the Strategic report on page 2.

These financial statements have been prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”)* as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company’s ultimate parent undertaking, Holt Holdco Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Holt Holdco Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from 10 Tything Road, West Kinwarton, Alcester, Warwickshire, B49 6EP. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

Measurement convention

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Going concern

The financial statements have been prepared on a going concern basis. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Group will have sufficient funds to meet its liabilities as they fall due for that period. The directors consider the going concern basis to be appropriate for the following reasons.

The Group have financing facilities to the value of £147 million which is made up of £24 million bank loan facility, £86 million of B and C Preference shares and £37 million of shareholder loan notes. These committed facilities are repayable between 2023 — 2026.

The bank loan facility of £24 million includes financial covenants which are tested quarterly. The Group forecasts indicate headroom against each of these covenants within at least 12 months of approval of these financial statements which support the directors’ assessment that covenants will continue to be met.

Consequently, the directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis

Notes (continued)

1 Accounting policies (continued)

Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment. Cost is defined as the aggregate of:

- the cash consideration;
- the nominal value of shares issued as consideration where Section 612 of the Companies Act 2006 apply;
- the market value of the company's shares on the date they were issued where Section 612 does not apply;
- the fair value of any other consideration; and
- costs of acquisition.

Income from investments is recognised in the company financial statements on an accruals basis.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timings differences that have originated but not reversed by the Balance sheets date, except that:

- 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Notes (continued)

2 Accounting estimates and judgements

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial information are described below:

Recoverability of amounts owed by group undertakings

The recoverability of amounts owed by group undertakings are assessed at each balance sheet date based upon forecast cash flows of the businesses. Provisions are made where recoverability is not deemed probable.

3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2019 £000	2018 £000
<i>Auditor's remuneration:</i>		
Audit of the Company's annual financial statements	-	-

The audit fee for the period is borne by Holt Holdco Limited.

4 Interest payable and similar charges

	2019 £000	2018 £000
Interest on shareholder loans	4,706	1,990

Notes (continued)

5 Taxation

a) Analysis of charge for the year

	2019 £000	£000	2018 £000	£000
<i>UK corporation tax and group relief</i>				
Current tax on income for the year	-		-	
Total current tax		-		-
<i>Deferred tax</i>				
Origination and reversal of timing differences	-		-	
Total deferred tax (credit)/charge		-		-
Tax charge on profit on ordinary activities		-		-

b) Reconciliation of total tax rate

	2019 £000	2018 £000
Loss for the period	(4,706)	(1,990)
Total tax expense	-	-
Loss excluding taxation	(4,706)	(1,990)
Tax using the UK corporation tax rate of 19% (2018: 18%)	894	358
Expenses not deductible for tax purposes	(894)	(358)
Total tax expense included in profit or loss	-	-

c) Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2017) has been included in deriving the above tax reconciliation.

Notes (continued)

6 Debtors

	2019 £000	2018 £000
Amounts owed by group undertakings	119,139	119,041
	<u>119,139</u>	<u>119,041</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

7 Creditors: Amounts falling due after more than one year

	2019 £000	2018 £000
Amounts falling due in less than one year		
Amounts owed to group undertakings	82,354	-
	<u>82,354</u>	<u>-</u>
Amounts falling due after more than one year		
Amounts owed to group undertakings	-	82,356
Living Bridge and other shareholder loans	37,051	36,952
Accrued interest on shareholder loans	6,609	1,964
Deferred debt arrangement fees	(208)	(270)
	<u>43,452</u>	<u>121,002</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

The Living Bridge and other shareholder loans are payable in 2026 and carry a 10% per annum (non-compounding) interest charge which "rolls up" between now and 2024.

8 Share capital and reserves

Share capital classed as equity

	2019 £000	2018 £000
<i>Allotted, called up and fully paid:</i>		
28,941 ordinary shares of £1 each	29	29
	<u>29</u>	<u>29</u>

Profit and loss account

This reserve records the accumulation of the profits and losses in the current and prior periods in the normal course of business.

9 Related parties

The company has taken advantage of the exemption in paragraph 33.1A of Financial Reporting Standard 102, from the requirement to disclose transactions with wholly owned members of the group.

10 Post balance sheet events

There have been no material events post balance sheet.

11 Controlling party

The immediate parent company is Holt Holdco Limited, a company incorporated in the United Kingdom. The registered office for Holt Bidco Limited is Helping Hands House, 10 Tything Road West, Kinwarton, Alcester, Warwickshire, B49 6EP.

The smallest and largest group of companies into which this company is consolidated is the one headed by Holt Holdco Limited. Consolidated financial statements of the group can be obtained from the registered office at Helping Hands House, 10 Tything Road West, Kinwarton, Alcester, Warwickshire, B49 6EP.

The company is under the control of the Lee family who together own the majority of the issued ordinary share capital in the Company's ultimate parent, Holt Holdco Limited.