

Homecare (Holdings) Limited
Annual Report and Financial Statements
For the year ended 31 December 2018

Company registration number: 03341261



Homecare (Holdings) Limited
Annual Report and Financial Statements
For the year ended 31 December 2018

Contents

Page(s):

1	Company Information
2 - 3	Directors' Report
4 - 6	Independent Auditor's Report
7	Profit and loss account
8	Balance Sheet
9	Statement of Changes in Equity
10 - 13	Notes to the Financial Statements

Homecare (Holdings) Limited
Annual Report and Financial Statements
For the year ended 31 December 2018

Company Information

Directors	D Jewell G Sidle
Company secretary	L Beavis
Auditor	Deloitte LLP Statutory Auditor 1 City Square Leeds LS1 2AL
Registered office	Holgate Park Holgate Road York United Kingdom YO26 2AL
Registered number	03341261

Homecare (Holdings) Limited
Annual Report and Financial Statements
For the year ended 31 December 2018

Directors' Report

The Directors present their Annual Report and Financial Statements of Homecare (Holdings) Limited (the Company) for the year ended 31 December 2018.

Principal activities

The principal activity of the Company during the year was that of a holding company. The Company is part of the CPPGroup Plc group of companies (the Group). The Group provides assistance products and services.

This Company qualifies as small in accordance with the provisions of section 382 (3) of the Companies Act 2006 and is therefore exempt from the requirement to present a strategic report under section 414B. The Company's parent Company is CPPGroup Plc which is listed on AIM and registered in the UK.

Review of the business and future developments

Details of the results for the year are set out on page 7 and show a profit on ordinary activities before taxation amounting to £3,996,291 (2017: £8,300,295).

A dividend of £7,657,797 (2017: £14,000,000) was paid during the year.

A dividend of £4,000,000 (2017: £8,391,414) was received during the year from its subsidiary undertaking, Homecare Insurance Limited (HIL). Subsequent to the balance sheet date a further dividend of £3,000,000 has been received from HIL and a further £1,000,000 is currently planned in 2019.

The Directors are of the opinion that the Company will continue to hold its investment in HIL.

The Company is an obligor to the Group's borrowing arrangements. During the year, the Group has renewed its borrowing arrangements, in the form of a committed £5.0 million revolving credit facility (RCF), for a period of three years to February 2021. The RCF has been extended on improved terms with the margin decreasing to 2.5% and certain other conditions being reduced or removed.

As the Company is a holding Company within the Group at 31 December 2018, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

Going Concern

The Company is party to a Group banking facility, a cross guarantee in respect of a Group wide bank account netting arrangement and has inter-company balances due to the wider Group which may become payable. The bank facility is secured against the assets of the Company. In respect of these factors the Directors have made suitable enquiries including consideration of the liquidity position and borrowing facilities available to the Group taking into account the current Group cash flow forecast.

Having considered all the information available, the Directors have a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future and accordingly the Directors have continued to adopt the going concern basis in preparing the financial statements.

Directors

The Directors holding office during the year and up to the date of signing of these financial statements are as follows:

D Jewell
G Sidle

Homecare (Holdings) Limited
Annual Report and Financial Statements
For the year ended 31 December 2018

Directors' Report (continued)

Company secretary

The company secretary holding office during the year and up to the date of signing of these financial statements was as follows:

L Beavis

Directors' responsibilities statement

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), including FRS 101 "Reduced Disclosure Framework". 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 Company and of the 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; and
- 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. Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006. Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board on 28th May 2019 and signed on its behalf by;



G Stole
Director

Homecare (Holdings) Limited
Annual Report and Financial Statements
For the year ended 31 December 2018

Independent auditor's report to the members of Homecare (Holdings) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Homecare (Holdings) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 10.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

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

Homecare (Holdings) Limited
Annual Report and Financial Statements
For the year ended 31 December 2018

Independent auditor's report to the members of Homecare (Holdings) Limited (continued)

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 respect of these matters.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Homecare (Holdings) Limited
Annual Report and Financial Statements
For the year ended 31 December 2018

Independent auditor's report to the members of Homecare (Holdings) 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.



Peter Birch FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds United Kingdom
7th June 2019

Homecare (Holdings) Limited
Annual Report and Financial Statements
For the year ended 31 December 2018


Balance Sheet

At 31 December

	Note	2018 £	2017 £
Non-current assets			
Investments	7	6,049,033	6,049,033
Current assets			
Cash and cash equivalents		-	3,887,477
		<u>-</u>	<u>3,887,477</u>
Creditors: amounts falling due within one year	8	(1,679,840)	(1,910,595)
Net current assets		<u>(1,679,840)</u>	<u>1,976,882</u>
Net assets		<u><u>4,369,193</u></u>	<u><u>8,025,915</u></u>
Capital and reserves			
Share capital	9	2	2
Retained earnings		<u>4,369,191</u>	<u>8,025,913</u>
Shareholders' funds		<u><u>4,369,193</u></u>	<u><u>8,025,915</u></u>

Notes on pages 10 to 13 form an integral part of these financial statements.

Approved by the Board on 28th May 2019 and signed on its behalf by:


G S Dile
Director

Company Registration Number: 03341261

Homecare (Holdings) Limited
Annual Report and Financial Statements
For the year ended 31 December 2018

Profit and loss account

	Note	2018 £	2017 £
Administrative expenses		(3,732)	(3,047)
Operating loss	2	(3,732)	(3,047)
Investment Income	3	4,000,000	8,391,414
Interest receivable and similar income	4	311	85,922
Interest payable and similar charges	5	(288)	(173,994)
Profit on ordinary activities before taxation		3,996,291	8,300,295
Taxation	6	4,784	(2,012)
Profit on ordinary activities after taxation		4,001,075	8,298,283

All results arise from continuing operations.

The Company has no other income other than as stated above and therefore no statement of other comprehensive income has been presented.

The notes on pages 10 to 13 are an integral part of these financial statements.

Homecare (Holdings) Limited
Annual Report and Financial Statements
For the year ended 31 December 2018

Statement of Changes in Equity

	Called up share capital £	Retained Earnings £	Total £
Balance at 1 January 2017	2	13,727,630	13,727,632
Total comprehensive income	-	8,298,283	8,298,283
Dividends paid	-	(14,000,000)	(14,000,000)
Balance at 31 December 2017	2	8,025,913	8,025,915
Total comprehensive income	-	4,001,075	4,001,075
Dividends paid	-	(7,657,797)	(7,657,797)
Balance at 31 December 2018	2	4,369,191	4,369,193

Homecare (Holdings) Limited
Annual Report and Financial Statements
For the year ended 31 December 2018

Notes to the financial statements

1. Accounting Policies

The principal accounting policies are summarised below.

Basis of preparation

Homecare (Holdings) Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The financial statements have been prepared under the historical cost basis. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. These financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash flow statement, standards not yet effective, financial instruments and related party transactions. Where required, equivalent disclosures are given in the consolidated accounts of CPPGroup Plc. The consolidated accounts of CPPGroup Plc are available to the public and can be obtained as set out in note 10.

The following new and revised Standards and Interpretations have been adopted in the current period. The application of these specific Standards and Interpretations has not had a material effect on the Company.

Standard	Subject
IFRS 9	Financial instruments
IFRS 15	Revenue from contracts with customers

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the Going Concern basis of accounting in preparing the financial statements. Further details of the Directors' assessment are set out in the Directors' Report on page 2.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's Directors.

Taxation

Taxation on the profit or loss for the period comprises both current and deferred. Taxation is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the tax is also included within equity. Current tax is the expected tax payable on the taxable income for the period using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full, using the liability method, on all taxable and deductible temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Homecare (Holdings) Limited
Annual Report and Financial Statements
For the year ended 31 December 2018

Notes to the financial statements (continued)

1. Accounting Policies (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Investments

Investments in subsidiary undertakings are stated at cost less accumulated impairment charges.

Remunerations of Directors and employees

In the current and prior year none of the Directors received any remuneration in respect of their services as Directors of the Company; furthermore the Company has no employees or related costs. No amounts have been recharged to this Company as their services to this Company are considered to be highly immaterial.

Key judgements and estimations

In the application of the Company's accounting policies, as described above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. We do not consider there to be any in the current period.

2. Operating loss

	2018	2017
	£	£
Operating loss is stated after charging:		
Fees payable for the audit of the Company's accounts	2,500	3,000
Bank charges	31	47

3. Investment Income

	2018	2017
	£	£
Dividend income from fixed asset investments	<u>4,000,000</u>	<u>8,391,414</u>

Homecare (Holdings) Limited
Annual Report and Financial Statements
For the year ended 31 December 2018

Notes to the financial statements (continued)

4. Interest receivable and similar income

	2018	2017
	£	£
Bank interest received	311	2,749
Interest receivable on amounts due from Group entities	-	83,173
	<u>311</u>	<u>85,922</u>

5. Interest payable and similar charges

	2018	2017
	£	£
Interest payable on amounts owed to Group entities	<u>288</u>	<u>173,994</u>

6. Taxation

	2018	2017
	£	£
UK Corporation tax based on the profit for the year at 19.00% (2017: 19.25%) was as follows:		
UK corporation tax	(705)	(17,540)
Adjustment in respect of prior year	(4,079)	19,552
Total recognised tax (credit) / charge for the period	<u>(4,784)</u>	<u>2,012</u>

The tax credit differs from that resulting from applying the standard rate of UK corporation tax to profit before tax. The difference is explained below:

	2018	2017
	£	£
Profit on ordinary activities before tax	<u>3,996,291</u>	<u>8,300,295</u>
Tax charge at the UK corporation tax rate of 19.00% (2017:19.25%)	759,295	1,597,807
Factors affecting the charge for the period:		
Adjustment to tax charge in respect of prior year periods	(4,079)	19,552
Non-taxable dividend income	(760,000)	(1,615,347)
Total tax (credit) / charge for the period	<u>(4,784)</u>	<u>2,012</u>

The UK corporation tax is calculated at 19.00% (2017:19.25%) of the estimated assessable profit for the year. The UK Finance (No 2) Act 2015 was enacted on 18 November 2015. It provided for a reduction in the main rate of UK corporation tax from 20.00% to 19.25% effective from 1 April 2017. The UK Finance Act 2016 was enacted on 15 September 2016. It provides for a further reduction to 17.00% from 1 April 2020. These changes will reduce the Company's future tax charges accordingly.

Homecare (Holdings) Limited
Annual Report and Financial Statements
For the year ended 31 December 2018

Notes to the financial statements (continued)

7. Investments

	2018 £	2017 £
Subsidiary undertakings:		
Homecare Insurance Limited	6,049,033	6,049,033

Homecare Insurance Limited (HIL) is a wholly owned subsidiary by 100% ordinary shares and is incorporated in England. It is engaged in the business of theft and accidental damage insurance for mobile phones together with Identity Protection insurance and Card Protection products. The Directors have considered the carrying value of the investment in HIL and are satisfied that no provision for impairment is required.

8. Creditors: amounts falling due in less than one year

	2018 £	2017 £
Amounts due to subsidiary and other Group undertakings	1,673,638	1,908,095
Overdraft	3,702	-
Accrued expenses	2,500	2,500
	<u>1,679,840</u>	<u>1,910,595</u>

There are no fixed dates for repayment of the intercompany loans. Interest, where appropriate, has been charged at LIBOR plus 2.5%. Intercompany loans are repayable on demand.

9. Share capital	2018 Number	2018 £	2017 Number	2017 £
Authorised: £1 ordinary shares	1,000	1,000	1,000	1,000
Called up, allotted and fully paid: £1 ordinary shares	2	-	2	-

10. Related parties and control

The Company is party to a cross-guarantee in respect of a bank account netting arrangement in which it is a participant alongside certain other Group companies. Creditors includes an overdrawn amount of £3,702 (2017: £3,664,305 cash and cash equivalents) which is held in a bank account subject to this arrangement.

The Company is a wholly owned subsidiary of CPP Holdings limited. The ultimate parent company is CPPGroup Plc. Advantage has been taken of the related party disclosure exemptions in respect of group transactions since consolidated financial statements have been prepared by the ultimate parent company, CPPGroup Plc, which is the parent of the largest and smallest groups for which consolidated accounts are prepared and of which the Company is a member. Copies of these accounts may be obtained from the Company's registered office at 6 East Parade, Leeds, LS1 2AD, United Kingdom.