

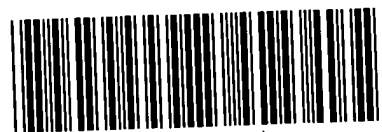
CMG Holdco Limited

Annual Report and Financial Statements

For the year ended 28 February 2019

Registered number: 08698034

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CMG Holdco Limited

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CMG Holdco Limited

Officers and professional advisers

Directors

P Kinsey
D Spruzen
G J Fitton
A Ringer (appointed 10 December 2018)
M Brown (appointed 10 December 2018)
R K Bhagobati (appointed 10 December 2018)
C B Patel (resigned 10 December 2018)
J A Ransford (resigned 10 December 2018)
W Wells (resigned 10 December 2018)

Secretary

G J Fitton

Registered office

First Floor
Q4 The Square
Randalls Way
Leatherhead
Surrey
KT22 7TW

Bankers

NatWest
PO Box 3415
Bishopsgate
London
EC2P 2AP

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

CMG Holdco Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 28 February 2019.

The Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small Companies exemption. Accordingly, the directors have elected to take advantage of the exemption from preparing a Strategic report.

Principal activity

The principal activity of the Company continued to be that of a holding Company.

Results, dividends and future developments

The trading results for the year and the Company's financial position at the end of the year are shown in the attached financial statements. The Company did not pay a dividend during the year (2018: £nil).

No change to the Company's operations is expected in the foreseeable future and no post balance sheet events have occurred at the date of signing these accounts.

Going concern

On 10 December 2018 the entire share capital of CMG Holdco Limited was acquired by Galaxy Group Bidco Limited, a wholly owned subsidiary of Galaxy Group Midco Limited (together with its subsidiaries will be referred as "the Galaxy Group"). The directors have carefully considered the going concern basis underlying the preparation of the financial statements.

Recent trading activity across the CMG Group and the Company have been in line with expectations. Referral levels have been maintained during the year and the quality of the services continued to improve which in turn lead to improved occupancy levels. This occupancy growth is expected to continue in the following year. The Group is cash generative and funds have continued to be reinvested to increase capacity levels and drive growth.

Management have prepared detailed forecasts for the CMG Group for the period to February 2021. Net debt levels, servicing costs and covenant requirements are closely monitored and managed according to strict management processes. Management have considered the expected availability of working capital and achievement of covenants required.

The directors believe that the CMG Group and the Company are well placed to manage its risks successfully despite the current economic conditions which create uncertainty.

Based on their forecast review and other factors described above, the directors have a reasonable expectation that the Company and the CMG Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the annual report and financial statements.

The Company is party to cross guarantees for the bank debts due by all companies within the Galaxy Group. The directors have a reasonable expectation that the Galaxy Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the annual report and financial statements.

Directors

The directors who served the Company during the year and since the year end are set out on page 1.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Principal risks and uncertainties

The directors have assessed the level of risk within the business and believe it to be similar to comparable UK based care and support organisations, where sound working capital management and good purchaser relations are essential

CMG Holdco Limited

Directors' report (continued)

to the future well-being of the Company. The directors believe that the current controls and processes within the business are appropriate and adequate to achieve this position.

The possible economic and legislative changes arising as a result of the UK's repositioning of its relationship with the European Union is outside the Company's control. The directors continually monitor the economic and legislative position and believe they are well placed to address any changes as and when they might arise.

The risks of the Company are managed as a Group and are fully disclosed within the Galaxy Group Bidco Limited consolidated accounts.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

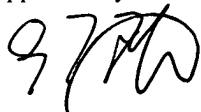
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12.

Approved by the Board of Directors and signed on behalf of the Board on 2 August 2019



G J Fitton
Director

Registered office

First Floor
Q4 The Square
Randalls Way
Leatherhead
Surrey
KT22 7TW

CMG Holdco Limited

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 102 "The Financial Reporting Standard applicable in the United Kingdom 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 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.

Independent auditor's report to the members of CMG Holdco Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of CMG Holdco Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 28 February 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; 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 9.

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).

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 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.

Independent auditor's report to the members of CMG Holdco Limited (continued)

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

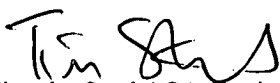
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

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.



Timothy Steel ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

12 August 2019

CMG Holdco Limited

Profit and loss account For the year ended 28 February 2019

	Notes	2019 £	2018 £
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Operating expenses		-	-
		<hr/>	<hr/>
Result before taxation		-	-
Taxation		-	-
		<hr/>	<hr/>
Result after taxation		<hr/>	<hr/>

All of the activities of the Company are classed as continuing.

There are no recognised gains or losses for the current or preceding financial year other than as stated in the profit and loss account. Accordingly, no separate statement of comprehensive income has been presented.

The accompanying notes on pages 10 to 14 form part of the financial statements.

CMG Holdco Limited

Balance sheet as at 28 February 2019

	Notes	2019 £	2018 £
Fixed assets			
Investments	2	<u>1</u>	<u>1</u>
		1	1
Current assets			
Debtors	3	<u>231</u>	<u>231</u>
Creditors: amounts falling due within one year	4	<u>(1)</u>	<u>(1)</u>
Total assets less current liabilities	6	<u>231</u>	<u>231</u>
Net assets		<u>231</u>	<u>231</u>
Capital and reserves			
Called up share capital	5	759	759
Profit and loss account		<u>(528)</u>	<u>(528)</u>
Total shareholder's funds		<u>231</u>	<u>231</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements of CMG Holdco Limited (registered number 08698034) were approved by the Board of Directors on 2 August 2019.

They were signed on its behalf by:



G J Fitton
Director

CMG Holdco Limited

Statement of changes in equity 28 February 2019

	Called-up share capital £	Profit and loss account £	Total £
At 28 February 2017	759	(528)	231
Result for the financial year	-	-	-
At 28 February 2018	759	(528)	231
Result for the financial year	-	-	-
At 28 February 2019	759	(528)	231

CMG Holdco Limited

Notes to the financial statements For the year ended 28 February 2019

1. Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. The particular accounting policies adopted are described below. The accounting policies have been consistently applied in the current and preceding year.

a. General information and basis of accounting

CMG Holdco Limited is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' Report on pages 2 to 3.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of CMG Holdco Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

CMG Holdco Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. CMG Holdco Limited is consolidated in the financial statements of its ultimate parent, Galaxy Group Midco Limited, which may be obtained from the registered office shown on page 14. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

b. Going concern

The financial statements have been prepared using the going concern basis of accounting.

The Company is a member of the group headed by Galaxy Group Midco Limited and guarantees the obligations of the Galaxy Group's borrowers under the facilities agreements. Disclosures relating to the going concern assumption adopted by Galaxy Group Midco Limited are included in the accounts of that Company.

The directors have carefully considered the going concern basis underlying the preparation of the financial statements.

Recent trading activity has been in line with expectations. Referral levels have been maintained during the year and the quality of the services continued to improve which in turn lead to improved occupancy levels. This occupancy growth is expected to continue in the following year. The business is cash generative and funds have continued to be reinvested to increase capacity levels and drive growth.

Management have prepared detailed forecasts for the period to February 2021. Net debt levels, servicing costs and covenant requirements are closely monitored and managed according to strict management processes. Management have considered the expected availability of working capital and achievement of covenants required.

The directors believe that the Galaxy Group and the Company are well placed to manage its risks successfully despite the current economic conditions which create uncertainty.

Based on their forecast review and other factors described above, the directors have a reasonable expectation that the Company and the Galaxy Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the annual report and financial statements.

CMG Holdco Limited

Notes to the financial statements (continued) For the year ended 28 February 2019

1. Accounting policies (continued)

c. Financial instruments

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

d. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in this note, 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. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key source of estimation uncertainty

In applying the Company's accounting policies various transactions and balances are valued using estimates or assumptions. Should these estimates or assumptions prove incorrect, there may be an impact on the following year's financial statements. There are no sources of estimation uncertainty at the end of 2019 that has a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities during 2020.

Critical accounting judgements

In the course of preparing the financial statements, no judgements have been made in the process of applying the Company's accounting policies, other than those involving estimations, that have had a significant effect on the amounts recognised in the financial statements.

CMG Holdco Limited

Notes to the financial statements (continued) For the year ended 28 February 2019

2. Investments in subsidiary undertakings

Company	£
Cost and net book value	
At 28 February 2018 and 28 February 2019	<u>1</u>

The following investments were held at the end of the period:

Name of undertaking	Description of shares held	Principal activity	Shareholding
Care Management Group (Acquisition) Limited *	Ordinary shares of £1 each	Holding Company	100%
Care Management Group (UK) Limited	Ordinary shares of £1 each	Dormant Company	100%
Care Management Group (Holdings) Limited	Ordinary shares of £1 each	Dormant Company	100%
Care Management Group Limited	Ordinary shares of £1 each	Running care homes	100%
Care Management Group (Southern) Limited	Ordinary shares of £1 each	Dormant Company	100%
CMG Homes Limited	Ordinary shares of £1 each	Agency services for parent Company	100%
Care Management Group (Cymru) Limited	Ordinary shares of £1 each	Running care homes	100%
Blocklin House Limited	Ordinary shares of £1 each	Dormant Company	100%
Care Management Group Trustees Limited	Ordinary shares of £1 each	Dormant Company	100%
Victoria House (UK) Limited	Ordinary shares of £1 each	Dormant Company	100%
Wherewelcome Limited	Ordinary shares of £1 each	Dormant Company	100%
Wherewelcome Care Group Limited	Ordinary shares of £1 each	Dormant Company	100%
Solent Residential Homes Limited	Ordinary shares of £1 each	Dormant Company	100%
Pathways (Trebanos) Limited	Ordinary shares of £1 each	Dormant Company	100%
Farisean Limited	Ordinary shares of £1 each	Dormant Company	100%
Alderwood LLA Limited	Ordinary shares of £1 each	Dormant Company	100%
CMG (Enfield) Limited	Ordinary Shares of £1 each	Dormant Company	100%
Helene Care Limited	Ordinary Shares of £1 each	Dormant Company	100%
Sevilles Limited	Ordinary Shares of £1 each	Dormant Company	100%
Philori Care Limited	Ordinary Shares of £1 each	Dormant Company	100%
Homes Caring For Autism Limited	Ordinary Shares of £1 each	Dormant Company	100%
Somerset HCA Limited	Ordinary Shares of £1 each	Dormant Company	100%
Creative Support and Consultancy Limited	Ordinary Shares of £1 each	Dormant Company**	100%
Penny Meadow Life Skills Limited	Ordinary Shares of £1 each	Dormant Company**	100%
S.S Care Limited	Ordinary Shares of £1 each	Dormant Company**	100%

* Investment held by CMG Holdco Limited.

** Prior to the hive-up of assets on acquisitions the principal activity of these companies was running care homes.

CMG Holdco Limited

Notes to the financial statements (continued) For the year ended 28 February 2019

2. Investments in subsidiary undertakings (continued)

CMG Holdco Limited holds the entire issued share capital and voting rights of Care Management Group (Acquisition) Limited.

Care Management Group (Acquisition) Limited holds the entire issued share capital and voting rights of Care Management Group (UK) Limited.

Care Management Group (UK) Limited holds the entire issued share capital and voting rights of Care Management Group (Holdings) Limited and Care Management Group Trustees Limited.

Care Management Group (Holdings) Limited holds the entire issued share capital of Care Management Group Limited, which in turn holds the entire issued share capital of Care Management Group (Southern) Limited, CMG Homes Limited, Care Management Group (Cymru) Limited, Victoria House (UK) Limited, Wherewelive Limited, Wherewelive Care Group Limited, Solent Residential Homes Limited, Pathways (Trebanos) Limited, Alderwood LLA Limited, Farisean Limited, Embrace Lifestyles (C) Limited, Helene Care Limited, Seviles Limited, Philori Care Limited, Blocklin Limited, Homes Caring for Autism Limited. Homes Caring for Autism Limited owns the entire share capital of Somerset HCA Limited.

All subsidiary undertakings are incorporated in the United Kingdom, are included in the Group consolidation and have the same registered office as the Company.

All subsidiary undertakings have the same registered office as that of the Company. The address is shown on page 1.

3. Debtors

Amounts falling due after more than one year:

	2019 £	2018 £
Amounts owed by Group undertakings	<u>231</u>	<u>231</u>

Amounts owed by Group undertakings are repayable in more than five years, are unsecured and are interest free. Amounts could be requested on demand at the discretion of the directors of the Company so are presented as current.

4. Creditors: amounts falling due within one year

	2019 £	2018 £
Other creditors	<u>1</u>	<u>1</u>

CMG Holdco Limited

Notes to the financial statements (continued) For the year ended 28 February 2019

5. Called up share capital

	2019 £	2018 £
Called up, allotted and fully paid		
75,936 (2018: 57,718) ordinary shares of £0.01 each	759	587
nil (2018: 10,429) 'A' ordinary shares of £0.01 each	-	104
nil (2018: 4,920) 'C1' ordinary shares of £0.01 each	-	49
nil (2018: 1,869) 'C2' ordinary shares of £0.01 each	-	19
	<u>759</u>	<u>759</u>

On 10 December 2018 Galaxy Group Bidco Limited acquired the entire share capital of the Company. On 10 December 2018 all the existing shares were redesignated as Ordinary Shares

6. Related party transactions

The Company has taken the exemption provided under FRS 102 to not disclose intercompany transactions between members of the Group where the entities are wholly owned by the parent Company.

No loans are held or have been held at any time during the year between the Company and a director.

7. Financial commitments

The Company is party to cross guarantees for the bank debts due by all companies within Galaxy Group Midco Limited Group. Total amounts due as at 28 February 2019 amounted to £230.1m (2018: £nil). The Company's assets are securitised against the loan held.

8. Ultimate parent Company and controlling party

The Company is a subsidiary undertaking Galaxy Group Midco Limited and the ultimate Parent Company was AMP Capital Investors (European Infrastructure No 5) S.à r.l. incorporated in Luxembourg. The Company is held by funds managed by AMP Capital Investments (UK) Limited which was incorporated in the UK.

The smallest and largest Group into which the results of CMG Holdco Limited are consolidated is Galaxy Group Bidco Limited and Galaxy Group Midco Limited respectively. The consolidated financial statements of both companies may be obtained from the Company's registered address at 3rd Floor, 11-12 St. James's Square, London SW1Y 4LB.

9. Subsequent events

There were no significant events that occurred after the reporting date.