

Registration number: 04726480



# Mears Housing Management (Holdings) Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2019

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**Mears Housing Management (Holdings) Limited**

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**Mears Housing Management (Holdings) Limited**

**Company Information**

|                          |                                                                                                                          |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------|
| <b>Directors</b>         | A C M Smith                                                                                                              |
|                          | B R Westran                                                                                                              |
|                          | J K Taylor                                                                                                               |
| <b>Company secretary</b> | B R Westran                                                                                                              |
| <b>Registered office</b> | 1390 Montpellier Court<br>Gloucester Business Park<br>Brockworth<br>Gloucester<br>GL3 4AH                                |
| <b>Solicitors</b>        | BPE<br>St James' House<br>St James' Square<br>Cheltenham<br>Gloucestershire<br>GL50 3PR                                  |
| <b>Bankers</b>           | Barclays Bank PLC<br>Corporate Banking<br>4th Floor Bridgwater House<br>Counterslip, Finzels Reach<br>Bristol<br>BS1 6BH |

## Mears Housing Management (Holdings) Limited

# Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

### Fair review of the business

*The Company is the holding company for a Group which is a leading private sector provider of residential lettings and management services to the Social Housing market, with a portfolio of around 4,500 properties.*

The results for the year and the Company's financial position at the end of the year are shown in the attached financial statements. *There has been no income or expenditure in the Company itself during the year other than interest and dividends received from subsidiary undertakings. Any expenses have been met by the parent company.*

### Principal risks and uncertainties

*The effective management of risks is a key feature to the continuing success of our Company. Our approach is to identify principal risks and robustly mitigate the impact of these risks through a Group-wide risk management process.*

The Company's financial risk management is based upon sound economic objectives and good corporate practice. The Directors have overall responsibility for risk management and internal control within the context of achieving the Company's objectives. The key risks and mitigating factors are set out below.

- *Operational*

The principal risks and uncertainties that the business faces are operational risks, most importantly welfare reforms. As the majority of business is generated through local authority contracts, government public spending cuts may have affected trading had it not been for the Directors prudent approach to income generation.

The company has limited exposure to these risks by negotiating and tendering for council contracts in a variety of different ways, ranging from yearly as well as long term contracts. In addition, other services and revenue streams have been developed in order to limit reliance on one source of income.

- *Financial*

The Company seeks to manage financial risk, to ensure sufficient liquidity is available to meet the identifiable needs of the Company and to invest cash assets safely and profitably.

Risks arise from short term cash flow movements and renewal risk on maturity of facilities. The Company is part of a Group banking facility. Our bank funding facility was recently extended to service the Group's needs until 2022.

Both short term and long term liquidity are monitored through the use of various tools including cashflow forecasts and proactive response to variances identified.

The Company does not undertake any trading activity in financial instruments. All activities are transacted in Sterling. The Company does not engage in any hedging activities.

- *Integrity, ethics, anti-bribery and corruption*

There are inherent risks of bribery, fraud and corruption in some of the sectors we work in. It is important that we have an internal control framework and means of communication to be pro-active where any risks materialise.

Approved by the Board on 17 September 2020 and signed on its behalf by:



.....  
B R Westran  
Director

## **Mears Housing Management (Holdings) Limited**

# **Directors' Report for the Year Ended 31 December 2019**

The directors present their report and the unaudited financial statements for the year ended 31 December 2019.

### **Directors' of the company**

The directors, who held office during the year, were as follows:

A C M Smith

B R Westran

J K Taylor

### **Principal activity**

The principal activity of the company during the year was that of a holding company. Its subsidiaries were principally involved in the supply of housing management services for Local Authorities.

### **Employment of disabled persons**

Applications for employment by disabled employees are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities.

In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the Company may continue.

It is the policy of the Company that training, career development and promotion opportunities should be available to all employees.

### **Going concern**

Mears Group PLC, the parent company, has a centralised treasury arrangement and so shares banking arrangements with its subsidiaries.

After making enquiries, the Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future.

However, the uncertainty as to the future impact on the Company of the recent COVID-19 outbreak has been considered as part of the Company's adoption of the going concern basis. The company has completed an assessment as to the impact to the Company in the event of a significant deterioration in revenues and productivity. This most severe downside scenario included a number of assumptions with regards to revenue recognition, non-productive labour costs and changes in working capital. This scenario is currently considered unlikely; however, it is difficult to predict the overall outcome and impact of COVID-19 at this stage. The Directors believe that in this most severe downside scenario, there is a risk that the Company's funding requirement could exceed its existing committed debt facilities and therefore concluded that in this scenario there is a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern.

The Company also completed an assessment of what is considered the most likely impact of COVID-19, which incorporated a number of mitigating actions, together with the benefit of reliefs made available from the Central Government including furloughing of employees and a deferral of the settlement of VAT liabilities. The most likely impact shows the Company's existing funding is sufficient to sustain the business and settle obligations as and when they fall due.

**Mears Housing Management (Holdings) Limited**

**Directors' Report for the Year Ended 31 December 2019 (continued)**

*Given that it remains challenging to measure the impact with any degree of precision given the extent of the uncertainty, and the fact that whilst the most likely scenario shows increased headroom when compared to the most severe downside scenario, the risk of a potential covenant breach remains a risk. The Directors have concluded that the uncertainty over the impact of the COVID-19 pandemic described above, including possible mitigating actions represents a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Further adverse changes arising from COVID-19 would increase the challenge of complying with financial covenants and remaining within banking facilities.*

Nevertheless, having assessed the combination of these various options and the impact of a potential liquidity shortfall in the event of an extended period of impact as a result of the COVID-19 pandemic, the Directors have a reasonable expectation the Company has adequate resources to continue in operational existence for the next 12 months. For these reasons, they continue to adopt a going concern basis for the preparation of the financial statements. Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Company were unable to continue as a going concern.

**Directors' liabilities**

Indemnifications of Directors in accordance with our Articles of Association and to the extent permitted by the laws of England and Wales, Directors are granted an indemnity from the Company in respect of liabilities incurred as a result of their position in office. However, our indemnity does not cover Directors or officers in the event of being proven of acting dishonestly or fraudulently.

Approved by the Board on 17 September 2020 and signed on its behalf by:



.....  
B R Westran  
Director

## **Mears Housing Management (Holdings) Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Strategic Report, Directors' Report and 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Mears Housing Management (Holdings) Limited**

**Profit and Loss Account for the Year Ended 31 December 2019**

|                                              | Note | 2019<br>£        | 2018<br>£        |
|----------------------------------------------|------|------------------|------------------|
| Turnover                                     |      | -                | -                |
| Operating profit/(loss)                      |      | -                | -                |
| Income from participating interests          |      | 387,244          | 314,584          |
| Other interest receivable and similar income | 4    | 3,200,000        | 4,270,000        |
| Interest payable and similar charges         | 5    | (1,431,896)      | (1,372,996)      |
| Profit before tax                            |      | 2,155,348        | 3,211,588        |
| Tax on profit on ordinary activities         | 6    | -                | -                |
| Profit for the year                          |      | <u>2,155,348</u> | <u>3,211,588</u> |

The above results were derived from continuing operations.



**Mears Housing Management (Holdings) Limited**  
**(Registration number: 04726480)**  
**Balance Sheet as at 31 December 2019**

|                                                                | Note | 31 December<br>2019<br>£ | 31 December<br>2018<br>£ |
|----------------------------------------------------------------|------|--------------------------|--------------------------|
| <b>Fixed assets</b>                                            |      |                          |                          |
| Investments                                                    | 7    | 41,800,000               | 41,800,000               |
| <b>Current assets</b>                                          |      |                          |                          |
| Debtors                                                        | 8    | <u>3,587,244</u>         | <u>16,897,936</u>        |
| <b>Total assets less current liabilities</b>                   |      | 45,387,244               | 58,697,936               |
| <b>Creditors: Amounts falling due after more than one year</b> |      |                          |                          |
| Amounts owed to related parties                                |      | <u>(45,217,975)</u>      | <u>(58,684,015)</u>      |
| <b>Net assets</b>                                              |      | <u>169,269</u>           | <u>13,921</u>            |
| <b>Capital and reserves</b>                                    |      |                          |                          |
| Called up share capital                                        | 13   | 1                        | 1                        |
| Profit and loss account                                        |      | <u>169,268</u>           | <u>13,920</u>            |
| Shareholders' funds                                            |      | <u>169,269</u>           | <u>13,921</u>            |

For the financial year ending 31 December 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 17 September 2020 and signed on its behalf by:



.....  
B R Westran  
Director

The notes on pages 9 to 16 form an integral part of these financial statements.

**Mears Housing Management (Holdings) Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2019**

|                            | Share capital<br>£ | Retained<br>earnings<br>£ | Total<br>£  |
|----------------------------|--------------------|---------------------------|-------------|
| At 1 January 2019          | 1                  | 13,920                    | 13,921      |
| Profit for the year        | -                  | 2,155,348                 | 2,155,348   |
| Total comprehensive income | -                  | 2,155,348                 | 2,155,348   |
| Dividends                  | -                  | (2,000,000)               | (2,000,000) |
| At 31 December 2019        | 1                  | 169,268                   | 169,269     |

  

|                            | Share capital<br>£ | Retained<br>earnings<br>£ | Total<br>£  |
|----------------------------|--------------------|---------------------------|-------------|
| At 1 January 2018          | 1                  | (427,668)                 | (427,667)   |
| Profit for the year        | -                  | 3,211,588                 | 3,211,588   |
| Total comprehensive income | -                  | 3,211,588                 | 3,211,588   |
| Dividends                  | -                  | (2,770,000)               | (2,770,000) |
| At 31 December 2018        | 1                  | 13,920                    | 13,921      |

**Mears Housing Management (Holdings) Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019**

### **1 General information**

The company is a private company limited by share capital, incorporated and domiciled in United Kingdom.

The address of its registered office is:

1390 Montpellier Court  
Gloucester Business Park  
Brockworth  
Gloucester  
GL3 4AH  
United Kingdom

These financial statements were authorised for issue by the Board on 17 September 2020.

### **2 Accounting policies**

#### **Basis of preparation**

The financial statements of the Company have been prepared in accordance with applicable accounting standards, including FRS 101, and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis. The financial statements are presented in Sterling (£).

#### *Impact of COVID-19*

The uncertainty as to the future impact on the Company of the recent COVID-19 outbreak has been considered as part of the Company's adoption of the going concern basis. The Directors completed an assessment as to the impact to the Company in the event of a significant deterioration in revenues and productivity. This most severe downside scenario is currently considered unlikely; however it is difficult to predict the overall outcome and impact of COVID-19 at this stage. The Directors believe that in this most severe downside scenario, there is a risk that the Company's funding requirement could exceed its existing committed debt facilities.

Only the specific downside scenario would indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The Financial Statements do not include the adjustments that would result if the Company was unable to continue as a going concern. On this basis, the Directors are satisfied that the Company has adequate resources to meet its obligations as they fall due and, for this reason, they continue to adopt the going concern basis in preparing the Company's 2019 financial statements.

**Mears Housing Management (Holdings) Limited**

**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)**

**2 Accounting policies (continued)**

**Summary of disclosure exemptions**

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2019. The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) The requirements of IFRS 7 Financial Instruments: Disclosures;
- b) The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- c) The requirements of IFRS 15 Revenue from Contracts with Customers;
- d) The requirements of paragraph 10(d) and 134 to 136 of IAS 1 Presentation of Financial Statements;
- e) The requirements of IAS 7 Statement of Cash Flows;
- f) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- g) The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- h) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- i) The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

**Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

**Reserves**

Share capital is determined using the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits and losses.

**Exemption from preparing group accounts**

The financial statements contain information about Mears Housing Management (Holdings) Limited as an individual company and do not contain consolidated financial information as the parent of a group.

*The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Mears Group PLC, a company incorporated in United Kingdom.*

**Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

**Mears Housing Management (Holdings) Limited**

**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)**

**2 Accounting policies (continued)**

**Financial assets and liabilities**

Financial assets and liabilities are recognised in the Balance Sheet when the Company becomes party to the contractual provisions of the instrument. The principal financial assets and liabilities of the Company are as follows:

***Financial assets, loans and receivables***

The assets generated from goods or services transferred to customers are presented as either receivables or contract assets, in accordance with IFRS 15. The assessment of impairment of receivables or contract assets is in accordance with IFRS 9 'Financial Instruments'.

All cash flows from customers are solely payments of principal and interest, and do not contain a significant financing component. Financial assets generated from all of the Company's revenue streams are therefore initially measured at their fair value, which is considered to be their transaction price (as defined in IFRS 15) and are subsequently remeasured at amortised cost.

Under IFRS 9, the Company recognises a loss allowance for expected credit losses (ECL) on financial assets subsequently measured at amortised cost using the 'simplified approach'. Individually significant balances are reviewed separately for impairment based on the credit terms agreed with the customer. Other balances are grouped into credit risk categories and reviewed in aggregate.

Trade receivables, contract assets and cash at bank and in hand are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables and contract assets are initially recorded at fair value net of transaction costs, being invoiced value less any provisional estimate for impairment should this be necessary due to a loss event. Trade receivables are subsequently remeasured at invoiced value, less an updated provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the Profit and Loss Account.

Cash and cash equivalents include cash at bank and in hand and bank deposits available with no notice or less than three months' notice from inception that are subject to an insignificant risk of changes in value. Bank overdrafts are presented as current liabilities to the extent that there is no right of offset with cash balances.

Following initial recognition, financial assets are subsequently remeasured at amortised cost using the effective interest rate method.

**Mears Housing Management (Holdings) Limited**

**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)**

**2 Accounting policies (continued)**

**Financial Liabilities**

The Company's financial liabilities are overdrafts, trade and other payables including accrued expenses, and amounts owed to Group companies.

All interest related charges are recognised as an expense in 'Interest payable and similar charges' in the Profit and Loss Account with the exception of those that are directly attributable to the construction of a qualifying asset, which are capitalised as part of that asset.

Bank and other borrowings are initially recognised at fair value net of transaction costs. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognised respectively in finance income and finance costs. *Borrowing costs are recognised as an expense in the period in which they are incurred with the exception of those which are directly attributable to the construction of a qualifying asset, which are capitalised as part of that asset.*

Trade payables on normal terms are not interest bearing and are stated at their fair value on initial recognition and subsequently at amortised cost.

Contingent consideration is initially recognised at fair value and is subsequently measured at fair value through the Profit and Loss Account.

**Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**3 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make estimates and judgements that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reported period. The estimates and associated judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying judgements 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.

**4 Interest receivable and similar income**

|                 | 2019             | 2018             |
|-----------------|------------------|------------------|
|                 | £                | £                |
| Dividend income | <u>3,200,000</u> | <u>4,270,000</u> |

**5 Interest payable and similar expenses**

|                                     | 2019             | 2018             |
|-------------------------------------|------------------|------------------|
|                                     | £                | £                |
| Interest paid to group undertakings | <u>1,431,896</u> | <u>1,372,996</u> |

**Mears Housing Management (Holdings) Limited**

**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)**

**6 Income tax**

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2018 - the same as the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

|                                                       | <b>2019</b>      | <b>2018</b>      |
|-------------------------------------------------------|------------------|------------------|
|                                                       | <b>£</b>         | <b>£</b>         |
| Profit before tax                                     | <u>2,155,348</u> | <u>3,211,588</u> |
| Corporation tax at standard rate                      | 409,516          | 610,202          |
| Increase arising from group relief tax reconciliation | 198,484          | 201,098          |
| Decrease from effect dividends from UK companies      | <u>(608,000)</u> | <u>(811,300)</u> |
| Total tax charge/(credit)                             | <u>-</u>         | <u>-</u>         |

**7 Investments**

| <b>Subsidiaries</b>      | <b>£</b>          |
|--------------------------|-------------------|
| <b>Cost or valuation</b> |                   |
| At 1 January 2019        | <u>41,800,000</u> |
| At 31 December 2019      | <u>41,800,000</u> |
| <b>Carrying amount</b>   |                   |
| At 31 December 2019      | <u>41,800,000</u> |

**Mears Housing Management (Holdings) Limited**

**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)**

**7 Investments (continued)**

Details of the subsidiaries as at 31 December 2019 are as follows:

| Name of subsidiary                         | Principal activity                       | Registered office                                                                                | Holding         | Proportion of ownership interest and voting rights held |      |
|--------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------------------------|-----------------|---------------------------------------------------------|------|
|                                            |                                          |                                                                                                  |                 | 2019                                                    | 2018 |
| Mears Housing Management Limited           | Provision of Housing Management services | 1390 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester, GL3 4AH United Kingdom | Ordinary shares | 100%                                                    | 100% |
| Omega Housing Limited                      | Provision of Housing Management services | 1390 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester, GL3 4AH United Kingdom | Ordinary shares | 100%                                                    | 100% |
| Let to Birmingham Limited                  | Unregistered social landlord             | 1390 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester, GL3 4AH United Kingdom | Ordinary shares | 100%                                                    | 100% |
| MHM Property Services Limited              | Provision of maintenance services        | 1390 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester, GL3 4AH United Kingdom | Ordinary shares | 100%                                                    | 100% |
| Mears Housing Portfolio (Holdings) Limited | Holding company                          | 1390 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester, GL3 4AH United Kingdom | Ordinary shares | 100%                                                    | 100% |

**8 Trade and other debtors**

|                              | 31 December<br>2019 | 31 December<br>2018 |
|------------------------------|---------------------|---------------------|
|                              | £                   | £                   |
| Debtors from related parties | <u>3,587,244</u>    | <u>16,897,936</u>   |



**Mears Housing Management (Holdings) Limited**

**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)**

**9 Dividends**

**Final dividends paid**

|                                                                                 | 31 December<br>2019<br>£ | 31 December<br>2018<br>£ |
|---------------------------------------------------------------------------------|--------------------------|--------------------------|
| Final dividend of £2,000,000.00 (2018 - £2,770,000.00) per each ordinary shares | <u>2,000,000</u>         | <u>2,770,000</u>         |

**10 Contingent liabilities**

Mears Housing Management (Holdings) Limited and the other companies in the group headed by Mears Group PLC have entered into a Composite Accounting Agreement with the Bank, whereby each Company has provided a guarantee to the Bank and, under the terms of the guarantees, the Bank is authorised to allow set-off for interest purposes and in certain circumstances to set-off debit and credit balances within the Composite Accounting System. The Bank has a fixed and floating charge over the assets of Mears Housing Management (Holdings) Limited in respect of this arrangement.

**11 Parent and ultimate parent undertaking**

The company's immediate parent is Mears Group PLC by virtue of its 100% shareholding.

The most senior parent entity producing publicly available financial statements is Mears Group PLC. These financial statements are available upon request from The Company Secretary, Mears Group PLC, 1390 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester, GL3 4AH.

**12 Related party transactions**

The Group of which the Company is a member has a central treasury arrangement in which all Group companies participate and procures a number of goods and services centrally which are recharged to its subsidiaries at cost. The Directors do not consider it meaningful to set out details of transfers made in respect of this treasury arrangement, nor the recharge of centrally procured goods and services, nor do they consider it meaningful to set out details of interest or dividend payments made within the Group.

**Mears Housing Management (Holdings) Limited**

**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)**

**13 Share capital**

Allotted, called up and fully paid shares

|                            | 31 December<br>2019 |          | 31 December<br>2018 |          |
|----------------------------|---------------------|----------|---------------------|----------|
|                            | No.                 | £        | No.                 | £        |
| Ordinary shares of £1 each | <u>1</u>            | <u>1</u> | <u>1</u>            | <u>1</u> |

**14 Non adjusting events after the financial period**

Since early 2020, the COVID-19 outbreak has increasingly impacted on businesses across the world. Whilst it is too early to determine the consequences of the outbreak on the company, the directors are confident that the company has put in place the correct measures to ensure the company's future.