

# **Hampshire Midco Limited**

**Annual report and financial statements  
Year ended 28 December 2019**

**Registered number 08246013**

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# **Hampshire Midco Limited**

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## **Contents**

	<b>Page</b>
Directors and advisers.....	1
Directors' report.....	2 – 3
Independent auditor's report.....	4 – 6
Income statement.....	7
Statement of other comprehensive income.....	8
Statement of financial position.....	9
Statement of changes in equity.....	10
Notes to the financial statements.....	11 – 18

# **Hampshire Midco Limited**

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## **Directors and advisers**

### **Directors**

A.E. Peterson  
S. Ashmore  
P.D. Quested

### **Company Secretary**

D.J. Joll

### **Registered office**

Oakland House  
76 Talbot Road  
Old Trafford,  
Manchester  
M16 0PQ

### **Auditors**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

# Hampshire Midco Limited

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## Directors' report

For the year ended 28 December 2019

The directors present their report and the audited financial statements of the Company for the year ended 28 December 2019.

### Directors

The directors of the company who served during the year ended 28 December 2019 are listed below:

A.E. Peterson  
S. Ashmore  
P.D. Quested

The Company has arranged a qualifying third party indemnity for all of its directors.

### Post balance sheet events

The Company was managed as part of the HSS Hire Group plc group (the Group) during 2019. Subsequent to the year end, the trading environment in 2020 materially changed due to the global COVID-19 pandemic and the Company had to switch focus to dealing with this. The pandemic has had a major impact on people's lives and the economic outlook during 2020. The Company, along with the rest of the Group, took immediate and decisive action to mitigate risks and enacted our business continuity plans to minimise business disruption. Capital expenditure was reduced and the Group engaged in overhead reduction, including negotiating rental holidays with landlords and utilising a number of measures made available by the UK Government, such as the Job Retention Scheme. The Group entered a restructuring programme and moved to a digital approach, including the closure of the majority of branches and making 12% of its employees redundant as of October 2020. The Group's strategy and the actions taken by management to improve liquidity have enabled the Group to meet its debt covenants under its borrowing facilities to date.

In order to further strengthen its cash position the Group has completed a Capital Raise from existing and new shareholders resulting in gross proceeds of £52.6m in aggregate. The Capital Raise will ensure a strong cash position and reduce net leverage, enabling the Group to continue its strong progress and successfully execute its strategy.

### Going concern

*While encouraged by the resilience of the Group during a period of unprecedented disruption, the Directors continue to model via a number of scenarios the potential impact of COVID-19 on results, including a reasonable worst case scenario. This assumes a second, nationwide, lockdown through to the start of March 2021 which has a materially adverse impact on demand. Even under the reasonable worst case scenario the Group has sufficient liquidity to operate within banking covenants for the next 12 months.*

The Directors note the existence of a letter of support provided by the ultimate parent company, HSS Hire Group plc, confirming that it will provide financial assistance as is required, ensuring the Company can meet its liabilities as they fall due, for a period of not less than twelve months from the date of approval of these financial statements.

After reviewing the above, taking into account current and future developments and principal risks and uncertainties, the level of dependence on the wider Group, and making appropriate enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence over a period of at least twelve months from the date of approval of these financial statements. Accordingly they continue to adopt the going concern basis in preparing these Financial Statements.

### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

# **Hampshire Midco Limited**

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## **Directors' report (continued)**

**For the year ended 28 December 2019**

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

### **Directors' statement as to the disclosure of information to auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

### **Dividends**

The directors do not recommend the payment of dividend for the year ended 28 December 2019 (2018: Nil). No interim dividends were paid or proposed during the year (2018: Nil).

In preparing this report advantage has been taken of the small companies' exemption and no strategic report has been prepared.

By order of the board



P.D. Quested  
Director  
18 December 2020

# Hampshire Midco Limited

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## Independent auditor's report to the members of Hampshire Midco Limited

For the year ended 28 December 2019

### Opinion

We have audited the financial statements of Hampshire Midco Limited ("the Company") for the year ended 28 December 2019 which comprise the Income statement, Statement of comprehensive income, Statement of financial position, Statement of changes in equity, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Other information

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

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

We have nothing to report in this regard.

# **Hampshire Midco Limited**

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## **Independent auditor's report to the members of Hampshire Midco Limited (continued)**

**For the year ended 28 December 2019**

### **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.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

- adequate accounting records have not been kept, 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' exemptions from the requirement to prepare a Strategic report.

### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, 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 Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **Hampshire Midco Limited**

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### **Independent auditor's report to the members of Hampshire Midco Limited (continued)**

**For the year ended 28 December 2019**

#### **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.

*BDO LLP*

Sophia Michael (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK  
18 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Hampshire Midco Limited

## Income statement

For the year ended 28 December 2019

		Year ended 28 December 2019 £000s	Year ended 29 December 2018 £000s
	<i>Note</i>		
Administrative expenses		(7)	(7)
<b>Operating loss</b>	2	<b>(7)</b>	<b>(7)</b>
Interest receivable and similar income	5	12,268	11,110
Interest payable and similar charges	6	(10,016)	(8,682)
<b>Profit on ordinary activities before tax</b>		<b>2,245</b>	<b>2,421</b>
Income tax expense	7	-	-
<b>Profit for the financial year</b>		<b>2,245</b>	<b>2,421</b>

The Company's activities are all continuing.

The notes on pages 11 to 18 form part of these financial statements.

## **Hampshire Midco Limited**

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### **Statement of other comprehensive income**

**For the year ended 28 December 2019**

	<b>Year ended 28 December 2019 £000s</b>	<b>Year ended 29 December 2018 £000s</b>
<b>Profit for the financial year</b>	<b>2,245</b>	<b>2,421</b>
<b>Total comprehensive profit for the year</b>	<b>2,245</b>	<b>2,421</b>

The notes on pages 11 to 18 form part of these financial statements.

# Hampshire Midco Limited

## Statement of financial position

As at 28 December 2019

Registered company number 08246013

		Year ended 28 December 2019 £000s	Year ended 29 December 2018 £000s
	Note		
<b>Non-current assets</b>			
Investments	8	99	99
Trade and other receivables	9	129,769	117,501
		<u>129,868</u>	<u>117,600</u>
<b>Current assets</b>			
Trade and other receivables	9	-	-
<b>Creditors: amounts falling due within one year</b>	10	(119,899)	(26,165)
<b>Net current liabilities</b>		<u>(119,899)</u>	<u>(26,165)</u>
<b>Total assets less current liabilities</b>		<u>9,969</u>	<u>91,435</u>
<b>Creditors: amounts falling due after more than one year</b>	11	-	(83,711)
<b>Net assets</b>		<u>9,969</u>	<u>7,724</u>
<b>Capital and reserves</b>			
Share capital	12	99	99
Retained earnings		9,871	7,626
<b>Total equity attributable to owners of the company</b>		<u>9,969</u>	<u>7,724</u>

The notes on pages 11 to 18 form part of these financial statements.

The financial statements on pages 7 to 18 were approved and authorised by the board of directors on 18 December 2020 and were signed on its behalf by:



P.D. Quested  
Director  
18 December 2020

## Hampshire Midco Limited

### Statement of changes in equity

For the year ended 28 December 2019

	Share capital	Retained earnings	Total equity
	£000s	£000s	£000s
At 30 December 2018	99	7,626	7,725
Profit and total comprehensive profit for the year	-	2,245	2,245
<b>At 28 December 2019</b>	<b>99</b>	<b>9,871</b>	<b>9,970</b>

  

	Share capital	Retained earnings	Total equity
	£000s	£000s	£000s
At 31 December 2017	99	5,205	5,304
Profit and total comprehensive profit for the year	-	2,421	2,421
At 29 December 2018	99	7,626	7,725

The notes on pages 11 to 18 form part of these financial statements.

# Hampshire Midco Limited

## Notes to the financial statements

For the year ended 28 December 2019

### 1. Accounting policies

#### a) Reporting entity

Hampshire Midco Limited (the "Company") is a private company limited by shares, incorporated and domiciled in the United Kingdom. The Company's registered office is Oakland House, 76 Talbot Road, Old Trafford, Manchester M16 0PQ.

The Company's principal activity is to act as an intermediate holding company within a group of companies whose principal activities are the supply and hire of equipment and services, and to provide finance for those companies.

#### b) Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements (FRS 100) and Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101), and the Companies Act 2006.

The directors have taken advantage of the option within section 390 of the Companies Act 2006 to prepare their financial statements up to a date seven days either side of the Company's accounting reference date of 31 December, and these accounts therefore cover the period from 30 December 2018 to 28 December 2019 (2018: 31 December 2017 to 29 December 2018).

#### c) Functional and presentational currency

These financial statements are presented in pounds Sterling (£), which is the Company's functional and presentational currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

#### d) Basis of preparation

The financial statements have been prepared on a historical cost basis, and are in accordance with the Companies Act 2006.

The directors have taken the option under section 400 of the Companies Act 2006 not to prepare consolidated financial statements as the Company is consolidated into the HSS Hire Group plc group.

The accounting policies have been applied consistently to all periods presented in these financial statements.

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by HSS Hire Group plc.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of HSS Hire Group plc. These financial statements do not include certain disclosures in respect of:

- Financial Instruments (other than certain disclosures required as a result of recording financial instruments at fair value);
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value); and
- Impairment of assets.

# Hampshire Midco Limited

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## Notes to the financial statements

For the year ended 28 December 2019 (continued)

### 1. Accounting policies (continued)

#### e) New accounting standards

There were no new accounting standards that had to be implemented in the year that materially affect these financial statements.

#### f) Critical accounting estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that effect the application of the Company's accounting policies and the reported amount of assets, liabilities, income, expenses and other disclosures. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis.

Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based, or as a result of new information or further information. Such changes are recognised in the period in which the estimate is revised.

Key assumptions about the future and key sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying value of assets and liabilities over the next year are set out below.

#### Income taxes

Estimates may be required in determining the level of current and deferred income tax assets and liabilities, which the directors believe are reasonable and adequately recognise any income tax related uncertainties. Various factors may have favourable or adverse effects on the income tax assets or liabilities. These include changes in tax legislation, tax rates and allowances, future levels of spending, the Company's level of future earnings and estimated future taxable profits.

#### Intercompany receivables

Judgements are required in assessing the recoverability and timing of intercompany receivables and determining whether impairments of those receivables are required. Judgements are based on the historical performance as well as forecasts. The Company monitors the recoverability of such receivables and recognises impairments for amounts that may not be recoverable.

#### g) Going concern

The Company is managed as part of a Group and funded through group loans. Since the year end the Group has completed a Capital Raise from existing and new shareholders resulting in gross proceeds of £52.6m in aggregate.

The Company has received written confirmation from its ultimate parent company, HSS Hire Group plc, confirming that it will provide financial assistance as is required, ensuring the Company can meet its liabilities as they fall due, for a period of not less than twelve months from the date of approval of these financial statements.

While encouraged by the resilience of the Group during a period of unprecedented disruption, the Directors continue to model via a number of scenarios the potential impact of COVID-19 on results, including a reasonable worst case scenario. This assumes a second, nationwide, lockdown through to the start of March 2021 which has a materially adverse impact on demand. Even under the reasonable worst case scenario the Group has sufficient liquidity to operate within banking covenants for the next 12 months.

After reviewing the above, taking into account current and future developments and principal risks and uncertainties, the level of dependence on the wider Group, and making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence over a period of at least twelve months from the date of approval of these financial statements. Accordingly they continue to adopt the going concern basis in preparing these Financial Statements.

The Company is a wholly owned subsidiary of HSS Hire Group plc.

#### h) Debtors

Debtors consist of amounts due from Group undertakings. Amounts due from Group undertakings are initially stated at fair value and are subsequently stated at amortised cost.

# Hampshire Midco Limited

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## Notes to the financial statements

For the year ended 28 December 2019 (continued)

### 1. Accounting policies (continued)

#### i) Share capital

##### **Ordinary shares**

Financial instruments used by the company are classified as equity only to the extent that they do not meet the definition of a financial asset or financial liability. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

##### **Retained earnings/accumulated deficit**

Cumulative net gains and losses recognised in the income statement.

##### **Dividends**

Dividends on ordinary share capital are recognised as a liability in the Company's financial statements in the period in which they are declared by the Company. In the case of interim dividends, these are considered to be declared when they are paid and in the case of final dividends these are declared when authorised by the shareholders.

#### j) Investments

Investments are included in the balance sheet at cost less amounts written-off, representing impairment in value. Impairment charges are recorded if events change or circumstances indicate that the carrying value may not be recoverable.

#### k) Creditors

Creditors consist of amounts due to Group undertakings and accrued interest. Amounts due to Group undertakings are initially stated at fair value and then subsequently stated at amortised cost. Accrued interest represents the interest due on amounts due to Group undertakings.

#### l) Interest receivable and payable

Interest receivable comprises interest received on amounts due from Group undertakings. Interest payable comprises interest payable on amounts due to Group undertakings. Interest is recognised in profit or loss as it accrues, using the effective interest rate.

#### m) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

# Hampshire Midco Limited

## Notes to the financial statements

For the year ended 28 December 2019 (continued)

### 1. Accounting policies (continued)

#### m) Current and deferred income tax (continued)

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Company is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Company the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### 2. Operating loss

The operating loss is stated after charging auditors' remuneration of £5,775 (2018: £5,500).

### 3. Employees

The Company has no employees (2018: no employees).

### 4. Directors' emoluments

The directors of the Company were also directors of other companies in the HSS Hire Group plc. The directors do not believe it is practical to apportion this amount between their services as directors of the Company and their services as directors of other companies within the HSS Hire Group plc. The full salary cost is therefore borne by HSS Hire Service Group Limited and, as such, their emoluments are disclosed as a whole below:

	Year ended 28 December 2019 £000s	Year ended 29 December 2018 £000s
Aggregate emoluments	820	812
Bonus	227	453
Pension costs	55	55
Directors' emoluments	1,102	1,320
Share-based payment expense	185	3
Total emoluments	1,287	1,323

There is no compensation for loss of office payable as at 28 December 2019 (29 December 2018: £nil).

The highest paid director's salary costs were:

	Year ended 28 December 2019 £000s	Year ended 29 December 2018 £000s
Aggregate emoluments	388	383
Bonus	132	263
Pension costs	31	31
Directors' emoluments	551	677
Share-based payment expense	114	1
Total emoluments	665	678



# Hampshire Midco Limited

## Notes to the financial statements

For the year ended 28 December 2019 (continued)

### 5. Interest receivable and similar income

	Year ended 28 December 2019 £000s	Year ended 29 December 2018 £000s
Interest receivable from group companies	12,268	11,110

### 6. Interest payable and similar charges

	Year ended 28 December 2019 £000s	Year ended 29 December 2018 £000s
Interest payable to group companies	10,016	8,682

### 7. Taxation

#### (a) Tax on ordinary activities

	Year ended 28 December 2019 £000s	Year ended 29 December 2018 £000s
Current tax expense		
UK corporation tax expense on the profit for the year		
Total current tax expense		
Income tax expense		

#### (b) Factors affecting the tax charge in the year

The tax assessed on the loss for the year differs from the standard UK corporation rate of tax. The differences are explained below:

	Year ended 28 December 2019 £000s	Year ended 29 December 2018 £000s
Profit on ordinary activities before tax	2,245	2,421
Profit before tax multiplied by the standard rate of corporation tax of 19.00% (2018: 19.00%)	427	460
Group relief claimed	(427)	(460)
Income tax expense		

#### (c) Deferred tax

The company has no recognised or unrecognised deferred tax assets or liabilities (2018: £nil).

#### (d) Factors that may affect future tax charge

The standard rate of corporation tax in the UK is 19% and it is the rate applied to the Company's profit for the year ended 28 December 2019. In 2020 legislation was passed for the standard rate of UK corporation tax to remain at 19%, meaning that legislation previously enacted for a reduction to 17% from 1 April 2020 was reversed.

# Hampshire Midco Limited

## Notes to the financial statements

For the year ended 28 December 2019 (continued)

### 8. Investments

	Year ended 28 December 2019 £000s	Year ended 29 December 2018 £000s
Investments in subsidiary undertakings	99	99

The Company's subsidiaries are:

Company	Holding	Country of incorporation	Principal activity	Ordinary shares held
Hampshire Bidco Limited	Direct	United Kingdom	Intermediate holding company	100%
Hero Acquisitions Limited	Indirect	United Kingdom	Intermediate holding company	100%
HSS Financing Plc	Indirect	United Kingdom	Intermediate holding company	100%
HSS Hire Service Holdings Limited	Indirect	United Kingdom	Intermediate holding company	100%
HSS Hire Service Finance Limited	Indirect	United Kingdom	Intermediate holding company	100%
HSS Hire Service Group Limited	Indirect	United Kingdom	Hire and equipment services	100%
Laois Hire Services Limited	Indirect	Republic of Ireland	Hire and equipment services	100%
ABird Limited	Indirect	United Kingdom	Hire and equipment services	100%
A1 Hire & Sales Limited	Indirect	United Kingdom	Hire and equipment services	100%
All Seasons Hire Limited	Indirect	United Kingdom	Hire and equipment services	100%
ABird Superior Limited	Indirect	United Kingdom	Intermediate holding company	100%
Bannagroe Limited	Indirect	Republic of Ireland	Intermediate holding company	100%
HSS Training Limited	Indirect	United Kingdom	Training services	100%
1st Collection Services Limited	Indirect	United Kingdom	Administration of group debtors	100%
UK Platforms Limited	Indirect	United Kingdom	Hire and equipment services	100%
Apex Generators Limited	Indirect	United Kingdom	Hire and equipment services	100%
HSS Hire Limited	Indirect	United Kingdom	Dormant	100%
HSS Hire Trading Limited	Indirect	United Kingdom	Dormant	100%

The registered office of the subsidiaries listed above is Oakland House, 76 Talbot Road, Old Trafford, Manchester, M16 0PR, except for the following:

- Apex Generators Ltd, 125 West Regent Street, Glasgow, G2 2SA
- Laois Hire Services Limited, Abbeyfeix Road, Portlaoise, Co. Laois, Eire
- Bannagroe Limited, Clonminam Industrial Estate, Portlaoise, Co. Laois, Eire

On 11 January 2019 the Group disposed of its 100% holding in UK Platforms Limited, a UK company whose principal activity is hire and equipment services.

Since the balance sheet date the COVID-19 pandemic has emerged as a threat and means that the Directors' assessment of economic risk has changed. The risk that investments in subsidiaries may be impaired has increased. Given the level of uncertainty with regard to the future effect of COVID-19 on economic conditions an assessment of the impact of this increase in risk has not been made.

# Hampshire Midco Limited

## Notes to the financial statements

For the year ended 28 December 2019 (continued)

### 9. Trade and other receivables

	Year ended 28 December 2019 £000s	Year ended 29 December 2018 £000s
Amounts owed by Group undertakings	<u>129,769</u>	<u>117,501</u>

All amounts fall due after more than one year.

Amounts receivable from group entities are unsecured; during the year interest receivable was based on a fixed rate of 10% or based on LIBOR plus an agreed rate.

The carrying value of debtors is not materially different to the fair value of the debtors.

Since the balance sheet date the COVID-19 pandemic has emerged as a threat and means that the Directors' assessment of economic risk has changed. The risk that receivables from Group undertakings are recovered late or are not recovered has increased. Given the level of uncertainty with regard to the future effect of COVID-19 on economic conditions an assessment of the impact of this increase in risk has not been made.

### 10. Creditors: amounts falling due within one year

	Year ended 28 December 2019 £000s	Year ended 29 December 2018 £000s
Amounts owed to Group undertakings	119,890	26,155
Accruals and deferred income	8	10
	<u>119,899</u>	<u>26,165</u>

Amounts payable to group entities are unsecured; during the year interest was payable based on LIBOR plus an agreed rate or a fixed rate of 10%.

The carrying value of creditors is not materially different to the fair value of the creditors.

### 11. Creditors: amounts falling due after more than one year

	Year ended 28 December 2019 £000s	Year ended 29 December 2018 £000s
Amounts owed to Group undertakings	-	83,711

Amounts owed to group undertakings are unsecured and interest is payable at a fixed rate of 10%.

The carrying value of creditors is not materially different to the fair value of the creditors.

## Hampshire Midco Limited

### Notes to the financial statements

For the year ended 28 December 2019 (continued)

#### 12. Share capital

	Year ended 28 December 2019 £000s	Year ended 29 December 2018 £000s
Issued, called up and fully paid		
Ordinary shares of £1 each	99	99

  

	Year ended 28 December 2019 Number	Year ended 29 December 2018 Number
Issued, called up and fully paid		
Ordinary shares of £1 each	98,599	98,599

#### 13. Related party transactions

As disclosed in Note 1d) and in accordance with the exemptions in FRS 101 the Company is not required to disclose related party transactions with key management personnel or between members of the Group. The Company has not completed any related party transactions with any other entities or parties.

#### 14. Ultimate and immediate parent company

The Company's immediate parent company is Hampshire Topco Limited.

HSS Hire Group plc is the ultimate parent in which Hampshire Midco Limited is consolidated.

By virtue of its majority shareholding in HSS Hire Group plc, the company's ultimate controlling party is Exponent Private Equity LLP.

#### 15. Post balance sheet events

Since the balance sheet date, a new virus, COVID-19, has resulted in a pandemic which is impacting the wider Group's performance. This could impact the recoverability of intercompany receivables and the value of investments. Given the level of uncertainty with regard to economic conditions and their recovery from COVID-19 an assessment of the impact has not been made. Action taken by the Group to mitigate the impact of the pandemic includes the closure of the majority of its UK branches; deferral of capital expenditure; utilisation of the Government's job retention scheme; and the capital raise noted below.

The Group has completed a Capital Raise from existing and new shareholders resulting in gross proceeds of £52.6m in aggregate.

These represent non-adjusting post balance sheet events.