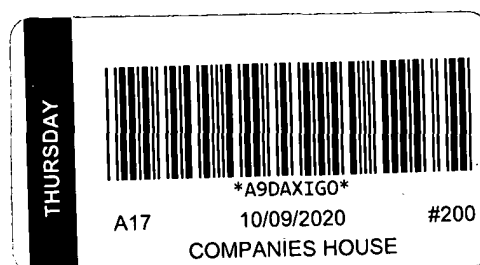


COBACO HOLDINGS LIMITED

Registered number 08317210

Annual Report and Financial Statements
For the period ended 31 December 2019



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Strategic Report

Principal activity and business review

The principal activity of Cobaco Limited ('the Company') is that of a non-trading, intermediate investment holding company. Its results for the period are set out in the profit and loss account on page 7. The Directors do not anticipate any change in the Company's principal activity of an intermediate holding company.

During the year, the Company was part of an internal corporate restructuring exercise which resulted in the Company reducing its share capital and share premium, impairing the carrying value of its investment in a subsidiary company and acquiring another subsidiary company from a fellow Group company. Full details of the transactions that occurred in the Company are explained in note 7.

The financial performance and position of the company are in line with the directors' expectations. Hill & Smith Holdings PLC ('the Group') does not monitor risks and uncertainties or KPIs at the company level for intermediate holding companies. These are, instead, monitored at a Group level.

Transition to FRS 101

The Company has applied Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) for the first time in these financial statements. The transition date from Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) was 1 May 2019. On transition to FRS 101, the Company has applied the requirements of paragraphs 6 – 33 of IFRS 1 "First time adoption of International Financial Reporting Standards". The transition did not result in any adjustments to the opening balance sheet as at 1 May 2019.

Change in accounting reference date

During the period, the accounting reference date was changed from 30 April to 31 December resulting in the current period being from 1 May 2019 to 31 December 2019. Throughout these financial statements, the year ended 30 April 2019 refers to the prior period being 1 May 2018 to 30 April 2019.

By order of the Board



C A Henderson
Secretary

Westhaven House
Arleston Way
Shirley, Solihull
West Midlands
B90 4LH

19 June 2020

Directors' Report

The Directors present their Report and audited Financial Statements for the period ended 31 December 2019.

Dividends

Dividends of £nil have been paid in the period ended 31 December 2019 (Year ended 30 April 2019: £nil). There are no proposed dividends.

Directors

The Directors serving during the period and in the period up to the date of this report were as follows:

CA Henderson

J Whitehouse

Political contributions

The Company made no political donations or incurred any political expenditure during the period.

Employees

The Company has no employees.

Disclosure of information to auditor

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

Auditor

The Company appointed KPMG LLP as auditor during the period, following the resignation of Grant Thornton UK LLP.

The external audit for the year ending 31 December 2020 has been tendered during the period, as detailed in the Group's Audit Committee Report in the Group's Annual Report. KPMG will resign as the Company's auditor after completing the audit of this annual report and financial statements. In accordance with the recommendation of the Group Audit Committee, the Board intends to appoint Ernst & Young LLP to fill the casual vacancy created. The Group Audit Committee have recommended resolutions to appoint Ernst & Young LLP as the Company's auditor at the Group's 2020 Annual General Meeting.

By order of the Board



C A Henderson
Secretary

Westhaven House
Arleston Way
Shirley
Solihull
West Midlands
B90 4LH

19 June 2020

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the Financial Statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the members of Cobaco Holdings Limited

Opinion

We have audited the financial statements of Cobaco Holdings Limited ("the company") for the period ended 31 December 2019 which comprise the Statement of Profit and Loss Account, Other Comprehensive Expense, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial period is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent Auditor's Report to the members of Cobaco Holdings Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Darren Turner (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

19 June 2020

Profit and Loss Account
for the period ended 31 December 2019

		Period ended 31 December 2019 £000	Year ended 30 April 2019 £000
Administrative expenses		(20,720)	23
Operating loss before impairment of investments and re-organisation costs		(4)	23
Impairment of investments	7	(20,716)	-
Re-organisation costs	2	-	(756)
Operating loss		(20,720)	(733)
Income from shares in subsidiary undertakings		1,435	-
Loss before interest and taxation		(19,285)	(733)
Interest receivable	4	92	-
Interest payable and similar charges	5	(37)	(2,191)
Loss before taxation	2	(19,230)	(2,924)
Taxation on loss	6	-	-
Loss for the financial period		(19,230)	(2,924)

Other comprehensive expense

Items that will not be classified to profit or loss:

Remeasurement of the net defined benefit pension liability	-	-
Taxation on other comprehensive expense	-	-
Other comprehensive expense for the period, net of tax	-	-
Total comprehensive expense for the period	(19,230)	(2,924)

All operations are continuing.

The notes on pages 10 to 19 form part of the Financial Statements.

Balance Sheet
as at 31 December 2019

	Note	31 December 2019		30 April 2019	
		£000	£000	£000	£000
Fixed assets					
Investments	7		6,211		17,945
Current assets					
Debtors	8	12,465		2,747	
Cash at bank and in hand		-		-	
		<u>12,465</u>		<u>2,747</u>	
Creditors: Amounts falling due within one year	9	-		(1)	
Net current assets			<u>12,465</u>		<u>2,746</u>
Total assets and current assets			<u>18,676</u>		<u>20,691</u>
Creditors: Amounts falling due after more than one year	9	-		(4,384)	
Net assets			<u>18,676</u>		<u>16,307</u>
Capital and reserves					
Called up share capital	10	-		-	
Share premium account		-		-	
Capital redemption reserve		-		-	
Other reserves		26,616		26,616	
Profit and loss account		(7,940)		(10,309)	
Shareholder's funds			<u>18,676</u>		<u>16,307</u>

The notes on pages 10 to 19 form part of the Financial Statements.

These Financial Statements were approved by the Board of Directors and signed on their behalf by:



J Whitehouse
Director

19 June 2020

Company No. 08317210

Statement of Changes in Equity
for the period ended 31 December 2019

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Other Reserves £000	Profit and loss account £000	Total equity £000
Balance at 1 May 2018	133	1,699	-	-	(7,385)	(5,553)
Comprehensive expense						
Loss for the year	-	-	-	-	(2,924)	(2,924)
Other comprehensive income for the year	-	-	-	-	-	-
Transactions with owners recognised directly in equity						
Dividends	-	-	-	-	-	-
Purchase of shares	(23,977)	(2,639)	-	26,616	-	-
Issue of shares	23,829	940	-	-	-	24,769
Conversion of preference shares	15	-	-	-	-	15
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2019	-	-	-	26,616	(10,309)	16,307
Comprehensive expense						
Loss for the period	-	-	-	-	(19,230)	(19,230)
Other comprehensive expense for the period	-	-	-	-	-	-
Transactions with owners recognised directly in equity						
Dividends	-	-	-	-	-	-
Issue of shares (note 10)	2,000	19,599	-	-	-	21,599
Share capital and share premium reduction (note 10)	(2,000)	(19,599)	-	-	21,599	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	-	-	-	26,616	(7,940)	18,676
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes

(forming part of the Financial Statements)

1 Accounting policies

The following accounting policies have been applied in the current period in dealing with items which are considered material in relation to the Company's Financial Statements, except as noted below.

Basis of preparation

The Company has applied Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) for the first time in these financial statements. The transition date from Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) was 1 May 2019. On transition to FRS 101, the Company has applied the requirements of paragraphs 6 – 33 of IFRS 1 "First time adoption of International Financial Reporting Standards". The transition did not result in any adjustments to the opening balance sheet as at 1 May 2019.

In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Hill & Smith Holdings PLC includes the Company in its Consolidated Financial Statements. The Consolidated Financial Statements of Hill & Smith Holdings PLC are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Group Headquarters (see note 15).

Significant accounting estimates or judgements

In the application of the Company's accounting policies outlined below, the directors are required to make estimates, assumptions and judgements about the carrying value of assets and liabilities that are not readily apparent.

The key accounting estimates or judgements made were:

Investment recoverability – The determination of whether investments should be impaired requires, amongst other factors, the estimation of future cash flows and growth factors adopted for each investment to which the Company holds. Furthermore, discount rates applied to these cash flows are determined by reference to the markets in which they operate and are risk adjusted to reflect risks and opportunities existing for each investment. An impairment of £20,716,000 was identified in the current period relating to an internal restructuring project as explained in note 7.

New IFRS standards and interpretations adopted during 2019

In 2019 the following standards, interpretations and amendments had been endorsed by the EU, became effective and therefore were adopted by the Company:

- IFRS 16 'Leases'
- IFRIC 23 'Uncertainty over Income Tax treatments'
- Amendments to IFRS 9 'Financial Instruments'
- Amendments to IAS 28 'Long-term Interests in Associates and Joint Ventures'
- Annual Improvements to IFRSs – 2015-2017 Cycle
- Amendments to IAS 19 'Employee Benefits'

The above standard, interpretations and amendments have not had a material impact on the Financial Statements.

Notes (continued)

1 Accounting policies (continued)

Exemptions

In these Financial Statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the Consolidated Financial Statements of Hill & Smith Holdings PLC include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

Measurement convention

The Financial Statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss or as available-for-sale, investment property and liabilities for cash-settled share-based payments. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report on page 1.

The Company is an intermediate holding company in the Hill & Smith Holdings PLC group (the "Group"). The Company is not a party to cross guarantees given for loans and borrowings of the wider Group. However, the Company participates in the Group's centralised treasury arrangements, and as such the Company's funding requirements are directly linked to the Group's overall financial position. At 31 May 2020 the Group had £341m of committed facilities in place and a further £13m of on-demand facilities available, providing headroom of £152m above the Group's net borrowings at the end of May of £202m. The Group's committed facilities principally comprise a c.£285m multi-currency syndicated revolving credit facility with a maturity date of January 2024, and US\$70m of senior unsecured notes in two equal tranches maturing in 2026 and 2029 respectively.

There are financial covenants associated with the Group's borrowings, which are net debt to EBITDA and interest cover. As at 31 December 2019, being the latest covenant test date, the Group's net debt to EBITDA ratio was 1.6x on a covenant basis, compared with a covenant limit of 3.0x, while interest cover was 17.9x against a covenant of at least 4.0x. Covenants are tested twice yearly at 30 June and 31 December on a 12 month historic basis.

Notes *(continued)*

1 Accounting policies *(continued)*

Going concern *(continued)*

The Group has prepared a going concern assessment for a period of at least 12 months from the date of approval of these financial statements, which includes modelling severe but plausible financial scenarios that take into consideration the current economic environment due to COVID-19. In all scenarios, the Group should be able to operate within the level of its current borrowing facilities. In the severe but plausible downside scenarios, the Group should be able to meet its financial covenants for a period of at least 12 months from the date of these financial statements, including the covenant tests at 30 June 2020, 31 December 2020 and 30 June 2021. Only in an extreme scenario would a breach arise, where the future trading reduction is more detrimental than the impact of COVID-19 experienced to date. The Group's directors do not consider this plausible given the ability of the Group to continue with reduced operations throughout the pandemic and its ability to return to more normalised activity levels. The Group has a number of mitigating actions under its control including minimizing capital expenditure to critical requirements, reducing levels of discretionary spend and rationalisation of its overhead base, in order to be able to meet the covenant tests for a period of at least 12 months from the date of these financial statements.

As a result of the above, the Company's ultimate parent, Hill & Smith Holdings PLC, have provided a letter of support to confirm their intention to provide sufficient funding to the Company to enable it to meet its liabilities as they fall due for a period of at least 12 months from the date of these financial statements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Consolidation

In accordance with Section 400 of the Companies Act 2006, consolidated accounts have not been prepared as the Company is a wholly owned subsidiary of Hill & Smith Holdings PLC, a company incorporated in England, which has prepared Consolidated Financial Statements to include the results of the Company.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less amounts written off for impairment. Investments are reviewed for impairment where events or circumstances indicate that their carrying value may not be recoverable.

Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the Profit and Loss Account except for differences arising on the retranslation of qualifying cash flow hedges, which are recognised in other comprehensive income.

Dividends

Dividends are recognised in the Financial Statements in the period in which they are approved by the Company's shareholders.

Notes (continued)

1 Accounting policies (continued)

Financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss Account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Balance Sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities, interest expense on lease liabilities, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the Profit and Loss Account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the Profit and Loss Account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Notes (continued)

2 Loss before taxation

The audit fees attributable to the Company for the period ended 31 December 2019 and the year ended 31 December 2018 are incidental to the Company and were borne by Hill & Smith Holdings PLC.

During the period, the Group undertook an internal corporate restructuring project impacting the Company. As a result, an investment impairment charge of £20,716,000 was recognised in the Company. Further details are provided in note 7.

During the prior year, the Company incurred £756,000 of costs relating to consultancy fees. No such costs were incurred in the current period.

3 Directors and employees

The Company had no employees during the current period and prior year and, as such, the aggregate payroll costs in both periods were £nil. The remuneration of the Directors are paid by another Hill & Smith Holdings PLC group company as their services to the Company are incidental to their services provided to other Hill & Smith Holdings PLC group companies.

4 Interest receivable

	Period ended 31 December 2019 £000	Year ended 30 April 2019 £000
On loans to group undertakings	92	-
	<hr/> 92	<hr/> -
	<hr/> <hr/>	<hr/> <hr/>

5 Interest payable and similar charges

	Period ended 31 December 2019 £000	Year ended 30 April 2019 £000
On loans from group undertakings	37	1
Bank interest	-	2,190
	<hr/> 37	<hr/> 2,191
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

6 Taxation on loss

Analysis of charge in period

	Period ended 31 December 2019 £000	Year ended 30 April 2019 £000
<i>UK corporation tax</i>		
Current tax for the period	-	-
Relating to the prior period	-	-
	<hr/>	<hr/>
Current tax charge	-	-
	<hr/>	<hr/>

Factors affecting tax charge for the period

The effective current tax rate for the period is lower (Year ended 30 April 2019: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	Period ended 31 December 2019 £000	Year ended 30 April 2019 £000
<i>Total tax reconciliation</i>		
Loss before taxation	(19,230)	(2,924)
	<hr/>	<hr/>
Loss multiplied by the effective rate of corporation tax in the UK of 19% (Year ended 30 April 2019: 19%)	(3,654)	(556)
<i>Effects of:</i>		
Impairment of investments	3,936	-
Non-taxable dividend income	(273)	-
Utilisation of brought forward tax losses not recognised	(9)	556
	<hr/>	<hr/>
Total tax charge	-	-
	<hr/>	<hr/>

Notes (continued)

7 Investments

	Shares in subsidiary undertakings £000
Cost	
At 1 May 2019	17,945
Additions	8,982
	<hr/>
At 31 December 2019	26,927
	<hr/>
Provisions	
At 1 May 2019	-
Impairment in period	20,716
	<hr/>
At 31 December 2019	20,716
	<hr/>
Net realisable value	
At 31 December 2019	6,211
	<hr/>
At 30 April 2019	17,945
	<hr/>

Investments in subsidiary undertakings as at 31 December 2019 include:

- A 100% holding in the issued share capital of Cobaco Limited, a holding company incorporated in Great Britain, at a cost of £20,716,000 (30 April 2019: £17,945,000). This was fully provided for during the period;
- A 100% holding in the issued share capital of ATG Access Limited, a trading company incorporated in Great Britain, at a cost of £6,211,000 (30 April 2019: £nil).

Refer to note 14 for a full list of the Company's subsidiary undertakings.

During the period, the Group undertook an internal corporate restructuring project. This resulted in the following transactions in the Company:

- Acquisition of further issued share capital in Cobaco Limited, increasing its investment by £2,770,000, with the consideration left outstanding as an intercompany payable;
- Receipt of a dividend in specie of £1,435,000 to the Company, settled via the transfer of its 100% shareholding in ATG Access Limited;
- Issue of 1,000,000 £1 ordinary shares resulting in share premium of £8,199,000, with consideration left outstanding as an intercompany receivable;
- Acquisition of further issued share capital in ATG Access Limited, increasing its investment by £4,777,000, with the consideration left outstanding as an intercompany payable;
- Issue of 1,000,000 £1 ordinary shares resulting in share premium of £11,400,000, settled in cash;
- Reduction in share capital and share premium, applying the reduction to its distributable reserves;
- Transfer of £12,400,000 cash to ATG Access Limited in exchange for an intercompany receivable; and
- Recognition of an impairment charge of £20,716,000 in its investment in Cobaco Limited.

Notes (continued)

8 Debtors

	31 December 2019 £000	30 April 2019 £000
Amounts owed by group undertakings	12,465	2,747
	<u>12,465</u>	<u>2,747</u>

Intercompany loans are unsecured with no fixed repayment date and therefore may not be settled within the next 12 months. Interest is charged at a rate equivalent to the Group's average borrowing rate for the period.

9 Creditors

Creditors: amounts falling due within one year

	31 December 2019 £000	30 April 2019 £000
Amounts owed to group undertakings	-	1
	<u>-</u>	<u>1</u>

Creditors: amounts falling due after more than one year

	31 December 2019 £000	30 April 2019 £000
Amounts owed to group undertakings	-	4,384
	<u>-</u>	<u>4,384</u>

Notes (continued)

10 Called up share capital

	31 December 2019 £000	30 April 2019 £000
Allotted, called up and fully paid		
1 (30 April 2019: 1) ordinary shares of £0.10 each	-	-

As part of an internal corporate restructuring exercise that occurred during the period, as explained in note 7, the Company issued 1,000,000 ordinary shares with a nominal value of £0.10 each for an amount paid per share of £9.20 and a further 1,000,000 ordinary shares with a nominal value of £0.10 each for an amount paid per share of £12.40. This resulted in an increase of £2,000,000 in the Company's share capital and an increase of £19,599,000 in the Company's share premium reserve. The Company reduced its share capital from 2,000,001 ordinary shares to 1 ordinary share of £0.10 each and reduced its share premium from £19,599,000 to nil, applying the reduction to its distributable reserves.

11 Contingent liabilities

The Company has no contingent liabilities or guarantees (30 April 2019: £nil).

12 Dividends

	Period ended 31 December 2019 £000	Year ended 30 April 2019 £000
Aggregate amount of dividends paid in the financial period	-	-

13 Related party transactions

As an ultimately wholly owned subsidiary of Hill & Smith Holdings PLC, the Company has taken advantage of the exemption available under FRS 101 not to disclose transactions that have been made between the Company and other fellow subsidiaries of Hill & Smith Holdings PLC.

14 Subsidiaries

Incorporated in the UK

Cobaco Limited*
ATG Access (Holdings) Limited^(D)
Vehicle Protection Security Posts Limited^(D)
ATG Access Limited*
Technocover Limited
Barkers Engineering Limited
Parking Facilities Limited
Cobaco Barrier Company Limited^(D)

^(D) – Dormant Company

* Directly held by Cobaco Holdings Limited

The listed subsidiaries have a year-end date of 31 December. The results of all of the listed subsidiaries are included in the consolidated results of Hill & Smith Holdings PLC, the Company's ultimate parent undertaking. The Company holds 100% of the share capital of the businesses, either directly or indirectly.

The registered office address of all of the UK subsidiaries is the same as the ultimate parent detailed in note 15.

Notes *(continued)*

15 Ultimate parent company and controlling party

The immediate parent of the Company is Hill & Smith Limited, a company registered and domiciled in England.

The ultimate parent and controlling party of the Company is Hill & Smith Holdings PLC, a company registered in England. Copies of the Group Financial Statements may be obtained from Group headquarters:

Westhaven House
Arleston Way
Shirley
Solihull
B90 4LH

16 Post Balance Sheet events

There were no significant post Balance Sheet events.