

CHRISTOPHER MIDCO 1 LIMITED**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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COMPANIES HOUSE

CHRISTOPHER MIDCO LIMITED

COMPANY INFORMATION

Directors	T McCormac M Bamber C Hill J Pickworth
Registered number	10192502
Registered office	2 Malt Street Knutsford Cheshire WA16 6ES
Independent auditor	Grant Thornton UK LLP Chartered Accountants Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB

CHRISTOPHER MIDCO LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 5
Statement of income and retained earnings	6
Statement of financial position	7
Notes to the financial statements	8 - 14

CHRISTOPHER MIDCO 1 LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

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

Directors

The directors who served during the year were:

T McCormac

M Bamber

C Hill

R Barley (resigned 16 January 2019)

J Pickworth (appointed 18 April 2019)

Directors' responsibilities statement

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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 to 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.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

CHRISTOPHER MIDCO 1 LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



J Pickworth

Director

Date: 17 September 2019

CHRISTOPHER MIDCO 1 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHRISTOPHER MIDCO 1 LIMITED

Opinion

We have audited the financial statements of Christopher Midco 1 Limited (the 'Company') for the year ended 31 March 2019, which comprise the Statement of income and retained earnings, the Statement of financial position and 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 31 March 2019 and of its loss 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, 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

CHRISTOPHER MIDCO 1 LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHRISTOPHER MIDCO 1 LIMITED
(CONTINUED)**

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.

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.

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 1, 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.

CHRISTOPHER MIDCO 1 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHRISTOPHER MIDCO 1 LIMITED
(CONTINUED)

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

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.

Grant Thornton use LLP

Carl Williams
Senior statutory auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester

17 September 2019

CHRISTOPHER MIDCO 1 LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Interest payable and expenses	6	(3,694,964)	(3,694,965)
Loss before tax		<u>(3,694,964)</u>	<u>(3,694,965)</u>
Tax on loss on ordinary activities	7	201,006	366,118
Loss after tax		<u><u>(3,493,958)</u></u>	<u><u>(3,328,847)</u></u>
 Retained earnings at the beginning of the year		 <u>(6,634,662)</u>	 <u>(3,305,815)</u>
		(6,634,662)	(3,305,815)
Loss for the year		<u>(3,493,958)</u>	<u>(3,328,847)</u>
Retained earnings at the end of the year		<u><u>(10,128,620)</u></u>	<u><u>(6,634,662)</u></u>

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of income and retained earnings.

The notes on pages 8 to 14 form part of these financial statements.

All activities of the company relate to continuing operations.

CHRISTOPHER MIDCO 1 LIMITED
REGISTERED NUMBER: 10192502

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Current assets			
Debtors: amounts falling due within one year	8	37,743,056	37,542,050
		<u>37,743,056</u>	<u>37,542,050</u>
Creditors: amounts falling due within one year	9	(395,212)	(395,212)
Net current assets		<u>37,347,844</u>	<u>37,146,838</u>
Total assets less current liabilities		<u>37,347,844</u>	<u>37,146,838</u>
Creditors: amounts falling due after more than one year	10	(47,476,463)	(43,781,499)
Net liabilities		<u>(10,128,619)</u>	<u>(6,634,661)</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account	14	(10,128,620)	(6,634,662)
Shareholders' deficit		<u>(10,128,619)</u>	<u>(6,634,661)</u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



J Pickworth
Director

Date: 17 September 2019

The notes on pages 8 to 14 form part of these financial statements.

CHRISTOPHER MIDCO 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Christopher Midco 1 Limited is a company incorporated in the United Kingdom under the Companies Act 2006 and its registered office is 2 Malt Street, Knutsford, Cheshire, WA16 6ES. The principal activity of the company during the year was that of a holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The individual accounts of Christopher Midco 1 Limited has adopted the disclosure exemption in the requirement to present a statement of cashflows and related notes on the basis that they are consolidated within the financial statements of Christopher Topco Limited, which are available from Companies House.

The financial statements are presented in Sterling (£).

The following principal accounting policies have been applied:

2.2 Going concern

Notwithstanding the loss for the year and the net liabilities position, after reviewing the company's forecasts and projections, the directors have reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future by way of shareholder support from Graphite Capital Partners LLP. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.4 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the

CHRISTOPHER MIDCO 1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.4 Financial instruments (continued)

contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.5 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.6 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

2.8 Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

CHRISTOPHER MIDCO 1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. Management do not consider any significant judgements or estimates have been made in these financial statements.

4. Operating profit

No directors have received remuneration during the current or previous year.

5. Auditor's remuneration

The auditor's remuneration for the year has been borne by a fellow group company.

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

6. Interest payable and similar expenses

	2019 £	2018 £
Loan note interest payable	3,694,964	3,694,965
	<u>3,694,964</u>	<u>3,694,965</u>

7. Taxation

	2019 £	2018 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(201,006)	(201,006)
Adjustments in respect of prior periods	-	(165,112)
Total deferred tax	<u>(201,006)</u>	<u>(366,118)</u>
Taxation on loss on ordinary activities	<u>(201,006)</u>	<u>(366,118)</u>

CHRISTOPHER MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	(3,694,964)	(3,694,965)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(702,043)	(702,043)
Effects of:		
Adjustment to tax charge in respect of previous year - deferred tax	-	(165,112)
Adjust closing deferred tax to average rate	66,720	43,072
Adjust opening deferred tax to average rate	(43,072)	(60,703)
Expenses not deductible for tax purposes	477,389	518,668
Total tax charge for the year	(201,006)	(366,118)

Factors that may affect future tax charges

During the year the corporation tax rate was decreased. The main rate of corporation tax is currently 19% and following Budget announcements the rate will fall to 17% in 2020.

8. Debtors

	2019 £	2018 £
Amounts owed by group undertakings	37,175,931	37,175,931
Other debtors	1	1
Deferred taxation	567,124	366,118
	37,743,056	37,542,050

CHRISTOPHER MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

9. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	395,212	395,212
	<u>395,212</u>	<u>395,212</u>

10. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Loan notes	37,051,156	37,051,156
Accruals and deferred income	10,425,307	6,730,343
	<u>47,476,463</u>	<u>43,781,499</u>

11. Loan notes

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due after more than 5 years		
Loan notes	37,051,156	37,051,156
	<u>37,051,156</u>	<u>37,051,156</u>
	<u>37,051,156</u>	<u>37,051,156</u>

At 31 March 2019, loan note interest totalling £10,425,307 (2018: £6,730,343) is included within accruals and will be paid upon maturity of the loan notes.

The loan notes are secured by way of a charge over all assets of the company.

CHRISTOPHER MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

12. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at amortised cost	<u>37,175,932</u>	<u>37,175,932</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(47,871,675)</u>	<u>(44,176,711)</u>

Financial assets measured at amortised cost comprise other debtors and amounts owed from group undertakings.

Financial liabilities measured at amortised cost comprise accruals and deferred income and amounts owed to group undertakings and loan notes.

13. Deferred taxation

	2019 £
At beginning of year	366,118
Charged to profit or loss	201,006
At end of year	<u><u>567,124</u></u>

The deferred tax asset is made up as follows:

	2019 £	2018 £
Tax losses	<u>567,124</u>	<u>366,118</u>
	<u><u>567,124</u></u>	<u><u>366,118</u></u>

14. Reserves

Called up share capital - represents the nominal value of shares that have been issued.

Profit and loss account - the profit and loss account includes the current period losses.

CHRISTOPHER MIDCO 1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

15. Contingent liabilities

The directors have confirmed there were no contingent liabilities at 31 March 2019 or 31 March 2018.

16. Capital commitments

The directors have confirmed there were no capital commitments at 31 March 2019 or 31 March 2018.

17. Related party transactions

The company has taken advantage of the exemption in FRS 102 (section 33) "Related Party Disclosure" and has not disclosed transactions with group undertakings.

18. Controlling party

The immediate parent company and ultimate controlling party is Christopher Topco Limited, an entity incorporated in England and Wales.

The smallest and largest group of undertakings for which group financial statements have been drawn up is that headed by Christopher Topco Limited. Copies of the consolidated financial statements can be obtained from Companies House.