

Registered number: 13085069

**CARTMEL CARE MIDCO LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE PERIOD ENDED 31 DECEMBER 2021**



**CARTMEL CARE MIDCO LIMITED**  
**REGISTERED NUMBER: 13085069**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £
<b>Fixed assets</b>		
Investments	4	1,964,955
		<hr/> 1,964,955
<b>Current assets</b>		
Debtors: amounts falling due after more than one year	5	1,282,003
Debtors: amounts falling due within one year	5	210
Cash at bank and in hand		26,579
		<hr/> 1,308,792
Creditors: amounts falling due within one year	6	(885,331)
		<hr/>
<b>Net current assets</b>		423,461
		<hr/>
<b>Total assets less current liabilities</b>		2,388,416
Creditors: amounts falling due after more than one year	7	(1,983,783)
		<hr/>
<b>Net assets</b>		404,633
		<hr/> <hr/>
<b>Capital and reserves</b>		
Called up share capital	9	100
Other reserves		552,503
Profit and loss account		(147,970)
		<hr/> 404,633
		<hr/> <hr/>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

**CARTMEL CARE MIDCO LIMITED**  
**REGISTERED NUMBER: 13085069**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

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



**David G Duncan**  
Director

Date: 15/9/22

The notes on pages 4 to 9 form part of these financial statements.

**CARTMEL CARE MIDCO LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	<b>Called up share capital £</b>	<b>Other reserves £</b>	<b>Profit and loss account £</b>	<b>Total equity £</b>
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(147,970)	(147,970)
<b>Total comprehensive income for the period</b>	-	-	(147,970)	(147,970)
Shares issued during the period	100	-	-	100
Capital contribution	-	552,503	-	552,503
<b>Total transactions with owners</b>	100	552,503	-	552,603
<b>At 31 December 2021</b>	100	552,503	(147,970)	404,633

The notes on pages 4 to 9 form part of these financial statements.

## **CARTMEL CARE MIDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021**

#### **1. General information**

Cartmel Care Midco Limited is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is New Kings Court Tollgate, Chandler's Ford, Eastleigh, Hampshire, SO53 3LG.

The Company was incorporated on 16 December 2020 and these accounts are prepared for the 12.5 month period from incorporation to the period end of 31 December 2021.

The principal activity is that of the financing of residential nursing care facilities.

#### **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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### **2.2 Going concern**

The directors have prepared these accounts on a going concern basis. At the time of approving these financial statements and in coming to this conclusion the directors have assessed current and expected trade and support for the Company.

The Company has a loss of £147,970 and net assets of £404,633 for the period end and will be reliant upon debt funding to continue as a going concern and fund the activities of the group. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

##### **2.3 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

##### **2.4 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. The Directors have estimated the market rate of interest for purpose of assessing the net present value of intercompany interest free loans as being 12% per annum.

##### **2.5 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

## **CARTMEL CARE MIDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021**

#### **2. Accounting policies (continued)**

##### **2.6 Valuation of investments**

Investments in subsidiaries are measured at cost, including directly attributable transaction costs, and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in profit or loss.

##### **2.7 Debtors**

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

##### **2.8 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

##### **2.9 Creditors**

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

##### **2.10 Financial instruments**

The Company only enters into basic financial instrument 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, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Profit and loss account.

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 contract.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

## CARTMEL CARE MIDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

#### 2. Accounting policies (continued)

##### 2.11 Equity

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 3. Employees

There are no employees within the Company other than the 6 Directors.

#### 4. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost</b>	
Additions	1,964,955
At 31 December 2021	<u>1,964,955</u>
<b>Net book value</b>	
At 31 December 2021	<u><u>1,964,955</u></u>

On 17th December 2020, Wenvoe Care Home Limited was incorporated with £100 share capital.

On 14th January 2021, Wenvoe Opco Limited was incorporated with £100 share capital.

Cartmel Care Midco Limited owns 100% of the ordinary share capital in both these entities.

On incorporation Cartmel Care Midco Limited issued a £3,174,192 loan to its subsidiary, Wenvoe Care Home Limited; £1,964,755 of which is capitalised as part of the fixed asset investment.

#### 5. Debtors

	2021 £
<b>Due after more than one year</b>	
Amounts owed by group undertakings	1,282,003
	<u><u>1,282,003</u></u>

## CARTMEL CARE MIDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

#### 5. Debtors (continued)

	£
<b>Due within one year</b>	
Amounts owed by group undertakings	210
	<hr/>
	<b>210</b>
	<hr/>

Amounts owed by group undertakings falling due after more than one year relates to an loan receivable from a subsidiary company. Having regard to FRS 102, the Directors have performed a discounted cashflow calculation to identify the debt and capital contribution elements. The loan has been recorded at present value of future receipts, discounted at a market rate of 12%. Interest is receivable on the loan during the year of £72,566 and is recorded in the profit and loss.

The face value of the loan received is £3,174,192, the present value at the year-end in debtors is £1,282,003 and an amount of £1,964,755 is regarded as a capital contribution and has been taken to investment in subsidiaries. The loan commenced during the year, for a term of 8 years and is repayable in full on maturity.

Amounts owed by group undertakings falling due within one year are interest free and repayable on demand.

#### 6. Creditors: Amounts falling due within one year

	2021 £
Amounts owed to related parties	878,750
Accruals and deferred income	6,581
	<hr/>
	<b>885,331</b>
	<hr/>

Amounts owed to related parties includes a loan from Applerigg Limited for £850,000 which is repayable in full within five business days of the date when the second tranche is drawn down. In addition a redemption premium of £230,000 is payable on the loan which is being amortised over 8 years. An interest charge of £28,750 is recognised for this in the profit and loss for the current year. The loan and interest are treated as falling due within one year.



## CARTMEL CARE MIDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

#### 7. Creditors: Amounts falling due after more than one year

	2021 £
Amounts owed to group undertakings	360,507
Amounts owed to related parties	261,899
Other loans	1,361,377
	<hr/> 1,983,783 <hr/>

Amounts owed to group undertakings falling due after more than one year includes a loan payable from the parent company. Having regard to FRS 102, the Directors have performed a discounted cashflow calculation to identify the debt and capital contribution elements. The loan has been recorded at present value of future payments, discounted at a market rate of 12%. Interest is payable on the loan during the year of £20,406 and is recorded in the profit and loss.

The face value of the loan received is £892,603, the present value at the year-end in creditors is £360,507 and an amount of £552,502 is regarded as a capital contribution and has been recorded in other reserves within equity. The loan commenced during the year, for a term of 8 years and is repayable in full on maturity.

Amounts owed to related parties includes two loans from Applerigg Limited totalling £261,899. These amounts were interest free and repayable in full 20 years from the date of the agreement, 15 September 2021, but were fully repaid shortly after the year end.

Other loans relate to an asset backed loan from GCP Asset Backed Income (UK) Limited of £1,332,000. Interest is payable on the loan at a rate of 8.75% per annum and repayments shall be made in instalments falling due after the fifth anniversary of the date of the loan agreement of 15 September 2021.

#### 8. Loans

Analysis of the maturity of loans is given below:

	2021 £
<b>Amounts falling due after more than 5 years</b>	
Amounts owed to group undertakings	360,507
Other Loans	1,361,377
	<hr/> 1,721,884 <hr/>

## CARTMEL CARE MIDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

#### 9. Share capital

	2021 £
<b>Allotted, called up and fully paid</b>	
10,000 Ordinary shares of £0.01 each	<b>100</b>

On 16 December 2021 the Company issued 10,000 Ordinary Shares of £0.01 each at par to Cartmel Care Homes Ltd. The shares hold full voting, dividend and distribution rights.

#### 10. Contingent liabilities

The Company is subject to a fixed and floating charge from GCP Asset Backed Income (UK) Limited. The floating charge is over all the property and undertakings of the company.

#### 11. Related party transactions

The Company has taken advantage of the exemption in Financial Reporting Standard 102 from the requirement to disclose transactions with group companies on the grounds that any subsidiary which is party to the transaction is wholly owned by such a member.

#### 12. Controlling party

The immediate and ultimate parent company, and the smallest group undertaking in which these financial statements are consolidated is Cartmel Care Homes Limited. The consolidated accounts of Cartmel Care Homes Limited are available from its registered office of New Kings Court Tollgate, Chandler's Ford, Eastleigh, Hampshire, SO53 3LG.

There is no ultimate controlling party.