

Registered number: 7111460

Handicare Holding Limited

Annual reports and financial statements

for the year ended 31 December 2013



Handicare Holding Limited

Company Information

Directors	P J E Byloos J W F Meier D J Temple
Company secretary	D J Temple
Registered number	7111460
Registered office	82 First Avenue Pensnett Estate Kingswinford West Midlands DY6 7FJ
Independent auditors	Ernst & Young LLP No.1 Colmore Square Birmingham B4 6HQ

Handicare Holding Limited

Contents

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 13

Handicare Holding Limited

Strategic report for the year ended 31 December 2013

The directors present their Strategic report for the year ended 31 December 2013.

Business review

The company's principal activity is that of a holding company. The principal activity of the subsidiary undertakings is the design, manufacture, installation, distribution and servicing of stairlifts and other assistive living products. The current year results are considered satisfactory as are future prospects.

In December 2013 the Handicare group have looked at restructuring of the debt/equity within the UK group. The impact on Handicare Holdings Limited is as follows –

- Handicare AS has subscribed for 8,600,000 ordinary £1 shares at par for cash consideration and converted a proportion of their loan with Handicare AS (£20,090,000) into ordinary £1 shares at par.
- The company has subscribed for £8,600,000 new ordinary shares in Minivator Group at par for cash, and also converted a further £3,400,000 of loan into ordinary shares.

A loss before tax of £5,483,091 (2012: £727,152) was incurred. Following a review of forecast future performance of the group, the value of goodwill relating to the investment in Minivator Group Limited was impaired to the value of £4.7m as at the balance sheet date. At the same time, the terms of the loan from Handicare AS were re-stated so as to be consistent with future expected cashflows of the group. No payments of interest of capital repayments will be made until 2019.

Principal risks and uncertainties

The main financial risks arising from the Group's activities are credit risk, interest rate risk and liquidity risk. These are monitored by the board of directors and were not considered to be significant at the balance sheet date.

Liquidity is as always a key KPI within the group. Any short term funding for working capital (if required) will be met by Handicare AS. The directors have received written confirmation from Handicare AS that they will (if required) assist Handicare Holding Limited in meeting liabilities as and when they fall due for a period of at least 12 months from the signing of these financial statements.

This report was approved by the board on 20th June 2014 and signed on its behalf.



D J Temple
Director

Handicare Holding Limited

**Directors' report
for the year ended 31 December 2013**

The directors present their report and the financial statements for the year ended 31 December 2013.

Results

The loss for the year, after taxation, amounted to £5,454,609 (2012 - loss £1,232,177).

Directors

The directors who served during the year were:

P J E Byloos
J W F Meier
D J Temple

Going concern

The financial statements of the company have been prepared on a going concern basis as the ultimate parent undertaking, Handicare AS, has confirmed that, for at least 12 months from the date of approval of these financial statements it will continue to make available such funds as needed by the company to enable it to continue trade. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that the 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. As detailed in the Directors Report on page 1, the directors have considered the principal risks and uncertainties that apply to the business and believe that it is appropriate to prepare the accounts on a going concern basis.

Disclosure of information to auditors

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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that 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 auditors are aware of that information.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20th June 2014 and signed on its behalf.



D J Temple
Director

Handicare Holding Limited

Directors' responsibilities statement for the year ended 31 December 2013

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 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 judgments and accounting 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;
- 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.

Handicare Holding Limited

Independent auditors' report to the members of Handicare Holding Limited

We have audited the financial statements of Handicare Holding Limited for the year ended 31 December 2013, which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Handicare Holding Limited

Independent auditors' report to the members of Handicare Holding Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Ernst & Young LLP

Lorna McNeil (Senior statutory auditor)

for and on behalf of

Ernst & Young LLP

Statutory Auditor

Birmingham

Date: *20 June 2014*

Handicare Holding Limited

**Profit and loss account
for the year ended 31 December 2013**

	Note	2013 £	2012 £
Administrative expenses		(30)	(1,180)
Operating loss	2	(30)	(1,180)
Interest receivable and similar income	3	1,237,365	1,251,598
Impairment of investments	6	(4,717,000)	-
Interest payable and similar charges	4	(2,003,426)	(1,977,570)
Loss on ordinary activities before taxation		(5,483,091)	(727,152)
Tax on loss on ordinary activities	5	28,482	(505,025)
Loss for the financial year	11	(5,454,609)	(1,232,177)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

The notes on pages 8 to 13 form part of these financial statements.

Handicare Holding Limited
Registered number: 7111460

Balance sheet
as at 31 December 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Investments	6		38,354,697		31,071,697
Current assets					
Debtors	7	11,562,250		14,269,856	
Cash at bank		61,689		61,361	
		<u>11,623,939</u>		<u>14,331,217</u>	
Creditors: amounts falling due within one year	8	<u>(2,113,574)</u>		<u>(2,505,025)</u>	
Net current assets			9,510,365		11,826,192
Total assets less current liabilities			47,865,062		42,897,889
Creditors: amounts falling due after more than one year	9		<u>(26,881,728)</u>		<u>(45,149,946)</u>
Net assets/(liabilities)			<u>20,983,334</u>		<u>(2,252,057)</u>
Capital and reserves					
Called up share capital	10		28,690,001		1
Profit and loss account	11		<u>(7,706,667)</u>		<u>(2,252,058)</u>
Shareholders' funds/(deficit)	12		<u>20,983,334</u>		<u>(2,252,057)</u>

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

20th June 2014



D J Temple
Director

The notes on pages 8 to 13 form part of these financial statements.

**Notes to the financial statements
for the year ended 31 December 2013**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements of the company have been prepared on a going concern basis as the ultimate parent undertaking, Handicare AS, has confirmed that, for at least 12 months from the date of approval of these financial statements it will continue to make available such funds as needed by the company to enable it to continue trade. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that the 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. As detailed in the Directors Report on page 1, the directors have considered the principal risks and uncertainties that apply to the business and believe that it is appropriate to prepare the accounts on a going concern basis.

The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.2 Consolidated financial statements

The financial statements contain information about Handicare Holding Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in EEA group accounts of a larger group.

1.3 Cash flow

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Handicare AS and the company is included in consolidated financial statements.

1.4 Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value. The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1.5 Related party disclosures

The company is a wholly owned subsidiary of Handicare AS and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with Handicare AS or other wholly owned subsidiaries within the group.

2. Operating loss

Auditors remuneration of £2,000 (2012 - £2,000) is borne in Handicare Accessibility Limited.

The directors have not received any remuneration in respect of their services to the company. The directors are also the directors of other group companies and their roles within the company are deemed to be incidental to their wider role within group management and therefore the company bears no cost in relation to the directors.

Handicare Holding Limited

**Notes to the financial statements
for the year ended 31 December 2013**

3. Interest receivable

	2013 £	2012 £
Loans to group companies	1,237,365	1,251,598

4. Interest payable

	2013 £	2012 £
On loans from group undertakings	2,003,426	1,977,570

5. Taxation

	2013 £	2012 £
Analysis of tax (credit)/charge in the year		
UK corporation tax charge on loss for the year	-	-
Adjustments in respect of prior periods - group relief	(28,482)	282,056
	(28,482)	282,056
Group relief payable	-	222,969
	(28,482)	505,025
Tax on loss on ordinary activities		

Factors affecting tax charge for the year

The tax assessed for the year differs from (2012 - differs from) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £	2012 £
Loss on ordinary activities before tax	(5,483,091)	(727,152)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	(1,274,819)	(178,152)
Effects of:		
Expenses not deductible for tax purposes	1,454,947	401,121
Adjustments to tax charge in respect of prior periods	(28,482)	282,056
Losses claimed for nil payment	(180,128)	-
	(28,482)	505,025
Current tax (credit)/charge for the year (see note above)		

Handicare Holding Limited

**Notes to the financial statements
for the year ended 31 December 2013**

5. Taxation (continued)**Factors that may affect future tax charges**

Announcements were made during the year by the Chancellor of the Exchequer of proposed changes to corporation tax rates which will have an effect on the future tax charge of the company. Reductions in the corporation tax rate from 24% to 23% came into effect from 1 April 2013. Further reductions to 21% from 1 April 2014 and 20% from 1 April 2015 have also been substantively enacted.

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2013	31,071,697
Additions	12,000,000
	<hr/>
At 31 December 2013	43,071,697
Impairment	
At 1 January 2013	-
Charge for the year	4,717,000
	<hr/>
At 31 December 2013	4,717,000
Net book value	
At 31 December 2013	38,354,697
	<hr/>
At 31 December 2012	31,071,697
	<hr/>

The company has subscribed for £8,600,000 new ordinary shares in Minivator Group at par for cash, and also converted a further £3,400,000 of loan into ordinary shares.

Handicare Holding Limited

**Notes to the financial statements
for the year ended 31 December 2013**

6. Fixed asset investments (continued)**Subsidiary undertakings**

The principal undertakings of the company are as follows:

Name	Business	Registered office
Minivator Group Limited	Intermediary parent company Design, manufacture, installation, distribution and servicing of stairlifts and other assistive living products	United Kingdom
Handicare Accessibility Limited*	Marketing and sale of stairlifts and other assistive living products	United Kingdom
Companion Stairlifts Limited*	Sales of stairlifts and other assistive living products	United Kingdom
Minivator (Shanghai) Independent Living Products Co Ltd*)	Sale of stairlifts and other assistive living products	United Kingdom
Minivator Deutschland UG*		Deutschland

* indirectly owned

All companies are wholly owned.

7. Debtors

	2013 £	2012 £
Amounts owed by group undertakings	<u>11,562,250</u>	<u>14,269,856</u>

**8. Creditors:
Amounts falling due within one year**

	2013 £	2012 £
Amounts owed to group undertakings	<u>2,113,574</u>	<u>2,505,025</u>

Handicare Holding Limited

**Notes to the financial statements
for the year ended 31 December 2013**

**9. Creditors:
Amounts falling due after more than one year**

	2013 £	2012 £
Loan owed to parent company	<u>26,881,728</u>	<u>45,149,946</u>

Included within the above are amounts falling due as follows:

	2013 £	2012 £
Due within one year	-	-
Due between 2-5 years	-	8,000,000
Due after 5 years	<u>26,881,728</u>	<u>37,149,946</u>
Total	<u>26,881,728</u>	<u>45,149,946</u>

Interest on the loan accrues at an interest rate of 7.95% per annum (on the interest bearing element being £21,696,355 plus accumulated interest). Repayments will start on 1 January 2019, with maturity date of 1 January 2023. In December 2013, £20,090,000 of the loan has been capitalised (see note 10).

10. Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
28,690,001 (2012 - 1) Ordinary shares of £1 each	<u>28,690,001</u>	<u>1</u>

In December 2013 the company issued 8,600,000 ordinary £1 shares at par for cash consideration and converted a proportion of their loan with Handicare AS (£20,090,000) into ordinary £1 shares at par.

11. Reserves

	Profit and loss account £
At 1 January 2013	(2,252,058)
Loss for the year	<u>(5,454,609)</u>
At 31 December 2013	<u>(7,706,667)</u>

Handicare Holding Limited

**Notes to the financial statements
for the year ended 31 December 2013**

12. Reconciliation of movement in shareholders' funds

	2013	2012
	£	£
Opening shareholders' deficit	(2,252,057)	(1,019,880)
Loss for the year	(5,454,609)	(1,232,177)
Shares issued during the year	28,690,000	-
Closing shareholders' funds/(deficit)	<u>20,983,334</u>	<u>(2,252,057)</u>

13. Related party transactions

The company is a wholly owned subsidiary of Handicare AS and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with Handicare AS or other wholly owned subsidiaries within the group.

14. Ultimate parent undertaking and controlling party

The company is a subsidiary of Handicare AS which is the ultimate parent company and controlling party, incorporated in Norway.

The largest and smallest group in which the results of the company are consolidated is that headed by Handicare AS, incorporated in Norway. The consolidated accounts are available to the public and may be obtained from Handicare Group AS, Valerveien 159, Moss, PO Box 163, 1501 Moss, Norway.