

**Handicare Holding Limited**

**Directors' report and financial statements**

**for the year ended 31 December 2012**

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**Handicare Holding Limited**

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**Company Information**

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<b>Directors</b>	P J E Byloos J W F Meier D J Temple
<b>Company secretary</b>	D J Temple
<b>Company number</b>	7111460
<b>Registered office</b>	82 First Avenue Pensnett Estate Kingswinford West Midlands DY6 7FJ
<b>Auditors</b>	Ernst & Young LLP 1 Colmore Square Birmingham B4 6HQ

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**Handicare Holding Limited**

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## **Handicare Holding Limited**

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### **Directors' report for the year ended 31 December 2012**

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The directors present their report and the financial statements for the year ended 31 December 2012

#### **Results**

The profit and loss account is set out on page 5 and shows the loss for the year

#### **Principal activities, review of business and future developments**

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.

#### **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. Handicare AS has also agreed to waive the first loan repayment due and as a result of post balance sheet events (see below) the company returns to a net asset position.

#### **Post Balance sheet event**

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 in the company in cash at par and converted a proportion of their loan (£20,090,000) to the company into ordinary £1 shares
- The company has subscribed for 8,600,000,000 new ordinary shares of £0.001 each in Minivator Group at par for cash, and also converted a further £3,400,000 of loan 3,400,000,000 ordinary shares of £0.001 each at par

#### **Directors**

The directors who served during the year were

P J E Byloos  
J W F Meier  
D J Temple

#### **Provision 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 information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

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**Handicare Holding Limited**

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**Directors' report  
for the year ended 31 December 2012**

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**Auditors**

Ernst & Young LLP was appointed during the year. 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 20/12/13 and signed on its behalf



**D J Temple**  
Director

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## **Handicare Holding Limited**

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### **Directors' responsibilities statement for the year ended 31 December 2012**

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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 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 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 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.

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## **Handicare Holding Limited**

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### **Independent auditors' report to the members of Handicare Holding Limited**

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We have audited the financial statements of Handicare Holding Limited for the year ended 31 December 2012, which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 15. 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, 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 Directors' report and financial statements to identify material inconsistencies with the audited financial statements. 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 2012 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**Handicare Holding Limited**

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**Independent auditors' report to the members of Handicare Holding Limited**

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**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 December 2013*



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**Handicare Holding Limited**

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**Profit and loss account  
for the year ended 31 December 2012**

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	Note	2012 £	2011 £
Administrative expenses		(1,180)	-
<b>Operating loss</b>	2	(1,180)	-
Interest receivable and similar income	3	1,251,598	1,259,047
Interest payable and similar charges	4	(1,977,570)	264,454
<b>(Loss)/profit on ordinary activities before taxation</b>		(727,152)	1,523,501
Tax on (loss)/profit on ordinary activities	5	(505,025)	(5,029)
<b>(Loss)/profit for the financial year</b>	11,12	(1,232,177)	1,518,472

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 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 2012**

	Note	£	2012 £	£	2011 £
<b>Fixed assets</b>					
Investments	6		31,071,697		31,071,697
<b>Current assets</b>					
Debtors	7	14,269,856		14,704,572	
Cash at bank		61,361		62,541	
		<u>14,331,217</u>		<u>14,767,113</u>	
<b>Creditors</b> amounts falling due within one year	8	<u>(2,505,025)</u>		<u>(33,823)</u>	
<b>Net current assets</b>			<u>11,826,192</u>		<u>14,733,290</u>
<b>Total assets less current liabilities</b>			<u>42,897,889</u>		<u>45,804,987</u>
<b>Creditors:</b> amounts falling due after more than one year	9		<u>(45,149,946)</u>		<u>(46,824,867)</u>
<b>Net liabilities</b>			<u>(2,252,057)</u>		<u>(1,019,880)</u>
<b>Capital and reserves</b>					
Called up share capital	10		1		1
Profit and loss account	11		<u>(2,252,058)</u>		<u>(1,019,881)</u>
<b>Shareholders' deficit</b>	12		<u>(2,252,057)</u>		<u>(1,019,880)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
20/12/13

  
**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 2012**

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**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 company has net liabilities of £2,252,057 (2011 £1,019,880), however 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 is borne in Handicare Accessibility Limited

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**Handicare Holding Limited**

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**Notes to the financial statements  
for the year ended 31 December 2012**

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**3. Interest receivable**

	2012 £	2011 £
Loans to group companies	1,251,598	1,259,047

**4. Interest payable**

	2012 £	2011 £
Loans from group companies	1,977,570	2,324,942
Group interest waived	-	(2,589,396)
	1,977,570	(264,454)

**5. Taxation**

	2012 £	2011 £
<b>Analysis of tax charge in the year</b>		
UK corporation tax charge on (loss)/profit for the year	-	-
Adjustments in respect of prior periods - group relief	282,056	(28,794)
	282,056	(28,794)
Group relief payable	222,969	33,823
	505,025	5,029
<b>Tax on (loss)/profit on ordinary activities</b>		

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2011 - lower than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

	2012 £	2011 £
(Loss)/profit on ordinary activities before tax	(727,152)	1,523,501
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	(178,152)	403,728
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	401,121	(256,720)
Utilisation of tax losses	-	(113,185)
Adjustments to tax charge in respect of prior periods	282,056	(28,794)
	505,025	5,029
<b>Current tax charge for the year (see note above)</b>		

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**Handicare Holding Limited**

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**Notes to the financial statements  
for the year ended 31 December 2012**

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

In his recent budgets the Chancellor of the Exchequer proposed a decrease in the rate of UK corporation tax from 26% to 20% falling by 2%pt in 2012, a further 1%pt in 2013, 2%pt in 2014 and 1%pt in 2015. The 1%pt reduction to 23% for 2013 was enacted on 3 July 2012 and, in accordance with accounting standards, has been reflected in the Company's financial statements. Further proposed changes will only be reflected once the reductions are substantively enacted.

**6 Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2012 and 31 December 2012	31,071,697
<b>Net book value</b>	
At 31 December 2012	31,071,697
At 31 December 2011	31,071,697

**Subsidiary undertakings**

The principal undertakings in which the company's interest at the year end is 20% or more are as follows

Name	Class of shares	Holding
Minivator Group Limited	Ordinary	100 %
Handicare Accessibility Limited*	Ordinary	100 %
Companion Stairlifts Limited*	Ordinary	100 %
Minivator (Shanghai) Independent Living Products Co Ltd*)	Ordinary	100 %
Minivator Deutschland UG*	Ordinary	100 %
Freelift Limited	Ordinary	100 %

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**Handicare Holding Limited**

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**Notes to the financial statements  
for the year ended 31 December 2012**

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**6 Fixed asset investments (continued)**

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

\*indirectly owned

Sterling Stairlifts, an indirect subsidiary, was sold to another group company at the end of September 2012

**7. Debtors**

	2012 £	2011 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	14,269,856	14,704,572

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

	2012 £	2011 £
Loan owed to parent company (note 9)	2,000,000	-
Amounts owed to group undertakings	505,025	33,823
	2,505,025	33,823

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**Handicare Holding Limited**

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**Notes to the financial statements  
for the year ended 31 December 2012**

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

	2012 £	2011 £
Loan owed to parent company	45,149,946	46,824,867

Interest for the loan shall accrue at an interest rate of 7.95% per annum (on the interest bearing element being £21,696,355 plus accumulated interest). Repayments will start 31 December 2013, with maturity date of 31 December 2021.

**10. Share capital**

	2012 £	2011 £
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1	1	1

**11. Reserves**

	Profit and loss account £
At 1 January 2012	(1,019,881)
Loss for the year	(1,232,177)
At 31 December 2012	(2,252,058)

**12. Reconciliation of movement in shareholders' deficit**

	2012 £	2011 £
Opening shareholders' deficit	(1,019,880)	(2,538,352)
(Loss)/profit for the year	(1,232,177)	1,518,472
Closing shareholders' deficit	(2,252,057)	(1,019,880)

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**Handicare Holding Limited**

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**Notes to the financial statements  
for the year ended 31 December 2012**

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**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 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. No other group accounts include the results of the company

**15. Post balance sheet events**

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 in the company in cash at par and converted a proportion of their loan (£20,090,000) to the company into ordinary £1 shares
- The company has subscribed for 8,600,000 000 new ordinary shares of £0.001 each in Minivator Group at par for cash, and also converted a further £3,400,000 of loan 3,400,000,000 ordinary shares of £0.001 each at par