

Maintel Holdings Plc
Registered number: 03181729

Financial statements for the period ended

30 December 2019

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Maintel Holdings Plc

Statement of comprehensive income for the period ended 30 December 2019

	30 December 2019 £000
Dividend income from related parties	7,500
Administrative expenses	<u>(82)</u>
Operating profit	7,418
Interest payable	<u>(806)</u>
Profit on ordinary activities before taxation	6,612
Taxation on profit on ordinary activities	<u>(282)</u>
Profit on ordinary activities after taxation	<u>6,330</u>

All amounts relate to continuing activities.
There is no other comprehensive income in the current period.

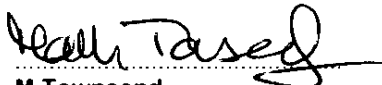
The notes on pages 4 to 7 form part of these financial statements.

Maintel Holdings Plc

Statement of financial position as at 30 December 2019

	Note	30 December 2019 £000	30 December 2019 £000
Company number 03181729			
Non current assets			
Investment in subsidiaries	2		49,560
Current assets			
Debtors	3	11,863	
Cash at bank and in hand		958	
		<u>12,821</u>	
Creditors: amounts falling due within one year			
Creditors	4	(1,480)	
Net current assets			<u>11,341</u>
Total assets less current liabilities			<u>60,901</u>
Creditors: amounts falling due after more than one year			
Borrowings	5		<u>(25,383)</u>
Net assets			<u>35,518</u>
Capital and reserves			
Called up share capital	6		143
Share premium			24,588
Capital redemption reserve			31
Retained earnings			<u>10,756</u>
Shareholders' funds			<u>35,518</u>

The financial statements, which have been prepared solely for the purpose of confirming the level of distributable reserves, were approved by the Board on 6 May 2020.


M Townsend
Director

The notes on pages 4 to 7 form part of these financial statements.

Maintel Holdings Plc

Notes to the financial statements as at 30 December 2019

1. Accounting policies

Basis of preparation

These interim financial statements for Maintel Holdings Plc ("the Company") have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union. The interim financial statements have been prepared for the purposes of presenting the distributable reserves of the Company as at 30 December 2019 and are comprised of the statement of comprehensive income, the statement of financial position, and notes 1 to 6. The notes presented in the interim financial statements have been restricted to information assessed as relevant to the statement of financial position and the Company's distributable reserves as at 30 December 2019.

Investments

Investments in subsidiary undertakings are stated at cost unless, in the opinion of the directors, there has been impairment to their value, in which case they are written down to their recoverable amount.

Dividends income

Dividends received from related party investees are recognised as income through the income statement when the company has an unconditional right to receive the dividends.

Taxation

Current tax is the expected tax receivable on the taxable income for the year, together with any adjustments to tax receivables in respect of previous periods.

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Proposed but unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Judgements and key areas of estimation uncertainty

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The principal use of estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relates to the potential impairment of the carrying value of investments.

The Company assesses at each reporting date whether there is an indication that its investments may be impaired. In undertaking such an impairment review, estimates are required in determining an asset's recoverable amount. These estimates include the asset's future cash flows and an appropriate discount rate to reflect the time value of money and other risk factors. The range of estimates reflects the relative risk profiles of the cash generating units.

2. Investment in subsidiaries

The Company owns investments in subsidiaries including a number which did not trade during the year. The following were the principal subsidiary undertakings at the end of the year:

Maintel Europe Limited
Maintel International Limited

Maintel Holdings Plc

Notes to the financial statements as at 30 December 2019 (*continued*)

2. Investment in subsidiaries (*continued*)

Maintel Europe Limited provides goods and services in the managed services and technology and network services sectors. Maintel Europe Limited is the sole provider of the Group's mobile services. Maintel International Limited provides goods and services in the managed services and technology sector predominantly in Ireland.

In addition, the following subsidiaries of the Company were dormant as at 30 December 2019:

Maintel Finance Limited
District Holdings Limited
Maintel Network Solutions Limited
Warden Holdco Limited
Warden Midco Limited

Each subsidiary company is wholly owned and, other than Maintel International Limited, is incorporated in England and Wales. Maintel International Limited is incorporated in the Republic of Ireland.

Each subsidiary, other than Maintel International Limited, has the same registered address as the parent. The registered address of Maintel International Limited is Beaux Lane House, Mercer Street Lower, Dublin 2.

3. Debtors

	30 December 2019 £000
Amounts due from subsidiary undertakings	11,753
Prepayments and other debtors	110
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	11,863 <hr/>

All amounts shown under debtors fall due for payment within one year.

Maintel Holdings Plc

Notes to the financial statements as at 30 December 2019 (*continued*)

4. Creditors

	30 December 2019 £000
Amounts due to subsidiary undertakings	1,047
Trade creditors and accruals	433
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	1,480
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5. Borrowings

	30 December 2019 £000
Non-current bank loan - secured	25,383
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	25,383
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On 8 April 2016 the Group entered into new facilities with the Royal Bank of Scotland Plc to support the acquisition of Azzurri. These consisted of a revolving credit facility totalling £36.0m (the "RCF") in committed funds on a reducing basis for a five year term (with an option to borrow up to a further £20.0m in uncommitted accordion facilities).

On 1 August 2017, the acquisition of the entire share capital of Intrinsic Technology Limited was completed for a consideration of £4.9m on a cash-free, debt-free basis. The acquisition was funded by an extension to, and draw-down under, the Company's existing RCF with the Royal Bank of Scotland Plc. As a result the RCF was increased by £6m to £42m.

Under the terms of the facility agreement, the committed funds reduce to £31.0m on the three year anniversary, and to £26.0m on the four year anniversary from the date of signing.

The non-current bank loan above is stated net of unamortised issue costs of debt of £0.1m.

The facilities are secured by a fixed and floating charge over the assets of the Company and its subsidiaries. Interest is payable on amounts drawn on the revolving credit facility and overdraft facility at a covenant-dependent tiered rate of 1.70 % to 2.85% per annum over LIBOR, with a reduced rate payable on undrawn facility.

Covenants based on adjusted EBITDA to net finance charges, net debt to EBITDA and operating cashflow to debt service ratios are tested on a quarterly basis. The company was in compliance with its covenants ratios tests throughout the period to 30 December 2019.

The directors consider that there is no material difference between the book value and fair value of the loan.

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Notes to the financial statements as at 30 December 2019 (*continued*)

6. Share capital

	Allotted, called up and fully paid	
	30 December 2019 Number	30 December 2019 £000
Ordinary shares of 1p each	14,322,059	143

The Company adopted new Articles on 27 April 2016, which dispensed with the need for the Company to have an authorised share capital.