

Mimosa to expand after Hotbed funding

Hotbed has invested £4 million of growth capital in Mimosa Healthcare, a £14 million turnover care homes group.

Mimosa was set up in 2000 by Anthony Massouras and is now one of the largest independent nursing home groups in the UK, with 18 homes and more than 850 beds. Its headquarters are in Nottingham with most of the homes based in Yorkshire.

Bernard Dale, head of private equity at Hotbed, said: "This size of this investment is our prime target and we have now established a track record of delivery with nearly £50 million invested to date in transactions totalling £180 million in value.

"The healthcare sector is an active one and we are pleased to be able to offer our Investor base the opportunity to invest in an established and growing business in this field."

HSBC's South Yorkshire Corporate Banking Centre in Sheffield provided the term debt and working capital facilities for Mimosa Healthcare to finance the expansion of the group through acquisition of freehold care homes. DLA Piper Rudnick Gray Cary's Sheffield office provided legal advice to HSBC.

David Hunt led the HSBC team and said: "We are delighted to support Mimosa Healthcare with its exciting expansion plans, and look forward to seeing them come to fruition over the coming months."

Eastwood Anglo Corporate Finance Ltd acted as corporate finance advisor to Mimosa Healthcare and introduced the deal to Hotbed Ltd. The deal was lead by Bill Eastwood and Tom Eastwood, both directors and co-owners of Eastwood Anglo Corporate Finance Ltd.

Tom Eastwood said: "Mimosa approached us with a view to raising expansion capital to fund the acquisition of freehold properties in order to balance the existing portfolio of leasehold properties.

"We prepared the financial models used in the due diligence process and prepared forecasts based on management expectations of future acquisitions and the trading of the existing homes. Using these models we negotiated and agreed terms with Hotbed Ltd on behalf of Mimosa."

GLP acted as business and property advisers to Hotbed.

Andrew Long, MD of GLP, said: "We advised upon asset quality, compliance with regulations, management control and standards and trading performance.

"GLP is dedicated to the healthcare sector and this is very much core competency. We have huge depth of experience and knowledge in this market acting for a number of corporate operators, local authorities, not for profit organisations and various investors to the healthcare market."

LCS International Consulting Limited undertook commercial due diligence on behalf of Hotbed and related advice on the sector as well as assisting KPMG on industry KPIs.

Peter Champness, who led the LCS team, said: "LCS combines analytical and valuation expertise. Our key strength is based on unrivalled industry knowledge, international research and in-depth analysis from which is derived reasoned opinions targeted on key areas of investor concern, such as industry benchmarking, future growth, validity of business model, rival competitive strategies and exit multiples."

Nick Lloyd and Nathalie Dunbar of emw law acted for Hotbed and its investor members on the equity and secured loan investments into Mimosa. In addition a team headed by emw's Sally Hopwood prepared the legal due diligence report for Hotbed and HSBC.

Mr Lloyd said: "emw's corporate finance team of five partners and eight solicitors act on a wide range of corporate finance matters but debt and equity funded acquisitions and re-organisations are central to the team's caseload. The existence of a specialist due diligence team within emw allows us to move swiftly to prepare a report that is set out in a manner that is helpful to management and funders alike.

"This is another good offering to the Hotbed investor member network - we hope it delivers great returns to management and investors alike."

Mimosa Healthcare receives expansion capital

Venture Capital provided by:



Debt provided by:



Financial Adviser to Mimosa Healthcare:



Business & Property Adviser to Hotbed:



Legal Adviser to Hotbed:



Financial due diligence provided by:

