

ADL PLC

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

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FOR THE YEAR ENDED 31 MARCH 2021**

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COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021

DIRECTORS:

Mrs P L Jackson
Sir W H W Wells
Mr W J Davies

SECRETARY:

Mr W J Davies

REGISTERED OFFICE:

Woodlands of Woolley Residential Home
Woolley Low Moor Lane
Woolley
Wakefield
West Yorkshire
WF4 2LN

REGISTERED NUMBER:

02463465 (England and Wales)

INDEPENDENT AUDITORS:

Cox Costello & Horne
Chartered Accountants and Statutory Auditors
26 Main Avenue
Moor Park
HA6 2HJ

BANKERS:

HSBC
41 Southgate
Bath
BA1 1TN

SOLICITORS:

Birketts LLP
16-18 Queen Street
Norwich
Norfolk
NR2 4SQ

**CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

This will be my final report to you as Chairman of the company as it is my intention to retire as a director after 15 years at the helm following the forthcoming AGM.

It gives me great pleasure to submit my final report to you on the affairs of the business with the company in such a good financial state.

The strategy of retaining excess funds and repaying debt early has benefited shareholders in these uncertain times. Your company managed to deliver a post tax profit of £3.2m (2019/20 £2.3m) which was a considerable achievement.

The Government has continued to show little inclination to carry out a review of the social care market which will mean that the uncertainty prevailing in the market continues.

Our profits have grown for the last number of years and we are fortunate that the cash generation is significant which is a considerable help when planning ahead.

The investment the Company has made in the purchase of shares has meant that the value per share has grown significantly to nearly £3.50 (2019/20 £3.00)

The company has continued to invest in improving the buildings which house the people for whom we are responsible.

I am very conscious that the world has changed and that the effect the pandemic will have on our business will be significant. Therefore, I feel that in the short term the company will need to be very careful to continue to do what we are good at, which is providing an excellent service for our clients and keep occupancy as high as possible. This will require very careful management, but I am confident that the company will continue to be able to achieve its goals and come out the other end a stronger and more profitable Company.

We are indebted to our staff whose hard work, expertise and kindness create an ambiance which makes us stand out as an excellent provider of care for the elderly.

I would like to take this opportunity to thank all our staff very much for all that they do for the company and its clients and to wish my co-directors Jeremy and Pearl and the staff all good fortune in the future.

Sir W H W Wells - Chairman
29 September 2021

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their strategic report of the company and the group for the year ended 31 March 2021.

REVIEW OF BUSINESS AND MANAGING DIRECTORS REPORT

The company and group results of 2021 are generally in line with those of 2020 with the exception of the effects caused by the Covid 19 Pandemic.

As previously reported, at the insistence of the Operations Director Mrs Pearl Jackson, we were one of the first groups to isolate the homes on the 8th March 2020 thus saving us from the worst ravages of the pandemic. However, the later discharge of Covid infected people from hospitals to a number of homes, without appropriate tests, took its toll on a number of our homes.

The poor performance of our partnership homes in North Lincolnshire has begun to be rectified with occupancy rates rising. This improvement has continued after the year end.

Trading at our other homes is generally in line with our expectations and in some instances exceeds our expectations.

Regulators and particularly safeguarding committees take up more and more of our time leaving less time for us to improve the business. However, in this exceptional of years, the group has benefited from grants to assist with PPE and other costs.

Net assets per share have increased to £3.48 (2020: £3.00) due mainly to retained earnings and a further reduction in the number of shares in issue.

The Board will continue its policy of not declaring a dividend. The board will be offering to purchase any outstanding shares on a first come first served basis for a price of £3.50 per share, subject to available resources.

Once again, I would like to express the Boards gratitude to Pearl Jackson and all our staff for their caring and support of our clients during these difficult times. The staff were obviously at great personal risk, and it saddens us that due to government legislation unless doubly jabbed they will not be allowed in the homes from November onwards. This has led to several long standing and valued members of staff leaving teams that provide the bedrock of care.

As you will see from the Chairman's statement Sir William Wells has indicated his intention to retire as a director of the company from the AGM. We would like to thank Sir William for all his invaluable advice and support over many years and wish him and his wife a very happy retirement.

PRINCIPAL RISKS AND UNCERTAINTIES

The principle risks and uncertainties of the business are as follows:

1. The affects and consequences of a Covid 19 outbreak in any of our homes.
2. The uncertainties in respect of announced inspections and decisions of the Care Quality Commission
3. Exposure to new legislation and regulatory requirements
4. The recruitment and retention of a skilled workforce particularly in connection with the uncertainties of Brexit
5. The potential withdrawal of local authority approval/funding.
6. The advent of inflationary pressures which have begun to appear in key cost areas

KEY PERFORMANCE INDICATORS

The directors consider the following key performance indicators of the business to be the most important and monitor them on a regular basis.

1. Investment in PPE
2. Investment in the property assets
3. Occupancy rates
4. Gross Margin
5. Wage costs per bed
6. Debtor turn
7. Cash balances

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

GOING CONCERN

The directors, after reviewing the group's operating budgets and financing arrangements, consider that the company and group have sufficient financing available at the date of approval of this report. Accordingly, the directors are satisfied that it is appropriate to adopt the going concern basis in preparing the annual report and financial statements. Refer to note 2 of the financial statements for further detail, in particular the assessment by the directors of the impact on the group of the Coronavirus pandemic.

A full description of the group's business activities, financial position, cash flows, liquidity position, committed facilities and borrowing position, together with the factors likely to affect its future development and performance, are set out in the Strategic Report.

ON BEHALF OF THE BOARD:

Mr W J Davies - Director

29 September 2021

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2021.

The report of the directors is a document produced by the board of directors under the requirement of UK company law. It details the state of the company and group, and its compliance with applicable financial, accounting and corporate social responsibility regulations.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2021.

FUTURE DEVELOPMENTS

The company and group will continue to raise the standards of care in the existing homes and seek further appropriate acquisitions if available.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

Mrs P L Jackson
Sir W H W Wells
Mr W J Davies

FINANCIAL INSTRUMENTS

On 26th April 2013 ADL plc, as part of a loan arrangement restructure, entered into a new loan agreement for 15 years for a maximum of £7 million with HSBC. The interest on this loan will be charged at 2% per annum over the Bank's Sterling Base Rate as published from time to time.

On 12th November 2015 ADL plc entered into a new loan agreement for 15 years for a maximum of £4.04 million with HSBC. The interest on this loan will be charged at 2% per annum over the Bank of England Base Rate as published from time to time.

The risk management objectives and policies of the company and group, and the exposure of the company and group to price risk, credit risk, liquidity risk and cash flow risk are contained in the notes to the consolidated financial statements.

SHARE CAPITAL

There were no new shares issued during the current and prior years.

Purchase of own shares and cancellation

Subject to the provisions of the Companies Acts, the company may purchase all or any of its shares of any class in any way.

During the reporting period year, the company purchased and cancelled ordinary 5p shares totalling 178,966 (2020: 1,682,945). The cancelled shares represented 0.65% (2020: 5.79%) of the called up share capital. The shares were acquired for a total consideration of £536,898 (2020: £4,988,835) and the nominal value of the shares totalled £8,948 (2020: £84,147). The maximum and minimum prices paid were 300p per share respectively.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2021**

EMPLOYEES

The group operates non-discriminatory employment policies which are designed to attract, retain and motivate the very best people, recognising that this can only be achieved through offering equal opportunities regardless of age, disability, gender, race, religion, colour, nationality, marital status and sexual orientation.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned.

In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and that appropriate facilities are available and training is arranged. It is the policy of the group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Staff are encouraged to plan their careers within the group and to participate in appropriate ongoing training, consistent with the needs of the business.

All care homes develop their own internal communications and employees receive regular updates on the group's strategies, policies and results.

The group has taken appropriate steps during the financial year to introduce, maintain, or develop arrangements aimed at consulting employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions that are likely to affect their interests.

Our success is due to the teamwork and co-operation of the people within the group. The directors thank all those who have worked so hard and contributed so much to achieve these results during a demanding time. The group continues to develop and maintain a culture which encourages long service and we are proud that so many employees choose to remain with us over many years.

DIRECTORS' LIABILITY INSURANCE

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force. The company also purchased and maintained throughout the financial year, directors' and officers' liability insurance in respect of itself and its directors.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

Cox, Costello and Horne have indicated their willingness to continue in office, and a resolution that they will be re-appointed will be proposed to the Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr W J Davies - Director

29 September 2021

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2021**

The directors are responsible for preparing the Annual 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ADL PLC

Opinion

We have audited the financial statements of ADL PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Profit and Loss account, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2021 and of the group's profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Annual Report, but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ADL PLC

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page seven, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ADL PLC

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team had the appropriate competence, capabilities and skills to identify and recognise non-compliance with applicable laws and regulations;
- obtaining understanding of the legal and regulatory framework the parent and group companies operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we identified and considered in this context included UK Companies Act, tax legislation, employment law and Health and Safety.
- internal discussions amongst the engagement team establishing how and where fraud might occur in the financial statements and any potential indicators of fraud. The discussions identified the following for potential fraud and mitigating procedures:
 - performed analytical procedures to identify any unusual or unexpected relationships
 - assess risk of fraud through management bias and override of accounting & financial controls
 - testing journal entries for appropriateness and reviewing large and unusual bank transactions
- enquiring of management whether they are aware of any non-compliance with applicable laws & regulations and any actual or potential litigation claims;
- enquiring of management whether they have knowledge of any actual, suspected or alleged fraud;
- enquiring of management whether internal controls are designed to mitigate risk related to fraud or non-compliance with laws and regulations.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISA's (UK). Furthermore, the further removed those laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the directors of the company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Michael F Cox BSc FCA (Senior Statutory Auditor)
for and on behalf of Cox Costello & Horne
Chartered Accountants and Statutory Auditors
26 Main Avenue
Moor Park
HA6 2HJ

29 September 2021

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	31.3.21 £	31.3.20 £
TURNOVER			
Group and share of joint ventures		13,973,078	14,922,408
Less:			
Share of joint ventures' turnover		(398,525)	(355,369)
GROUP TURNOVER	3	<u>13,574,553</u>	<u>14,567,039</u>
Cost of sales		<u>8,704,942</u>	<u>9,044,189</u>
GROSS PROFIT		<u>4,869,611</u>	<u>5,522,850</u>
Administrative expenses		<u>2,380,836</u>	<u>2,409,366</u>
		<u>2,488,775</u>	<u>3,113,484</u>
Other operating income		<u>1,723,572</u>	<u>129,143</u>
OPERATING PROFIT	5	<u>4,212,347</u>	<u>3,242,627</u>
Interest receivable and similar income		2,607	-
Interest payable and similar expenses	6	<u>(143,480)</u>	<u>(206,444)</u>
PROFIT BEFORE TAXATION		<u>4,071,474</u>	<u>3,036,183</u>
Tax on profit	7	<u>874,783</u>	<u>716,691</u>
PROFIT FOR THE FINANCIAL YEAR		<u>3,196,691</u>	<u>2,319,492</u>
OTHER COMPREHENSIVE			
Property revaluation adjustments			
Income tax relating to other comprehensive		2,280	(367,255)
OTHER COMPREHENSIVE FOR THE			
YEAR, NET OF INCOME TAX		<u>2,280</u>	<u>(367,255)</u>
TOTAL COMPREHENSIVE INCOME FOR			
THE YEAR		<u>3,198,971</u>	<u>1,952,237</u>
Profit attributable to:			
Owners of the parent		<u>3,196,691</u>	<u>2,319,492</u>
Total comprehensive income attributable to:			
Owners of the parent		<u>3,198,971</u>	<u>1,952,237</u>
Earnings per share expressed			
in pence per share:	9		
Basic		47.03	28.50
Diluted		<u>47.03</u>	<u>28.50</u>

CONSOLIDATED BALANCE SHEET
31 MARCH 2021

	Notes	31.3.21 £	£	31.3.20 £	£
FIXED ASSETS					
Intangible assets	10		165,645		194,279
Tangible assets	11		25,254,748		25,627,563
Investments	12				
Interest in joint venture					
Share of gross assets			88,255		88,751
Share of gross liabilities			(15,532)		(31,608)
			<u>72,723</u>		<u>57,143</u>
Other investments			1,335,000		1,335,000
			<u>26,828,116</u>		<u>27,213,985</u>
CURRENT ASSETS					
Stocks	13	14,500		14,500	
Debtors	14	1,680,429		1,913,933	
Cash at bank and in hand		<u>5,005,799</u>		<u>1,948,538</u>	
		6,700,728		3,876,971	
CREDITORS					
Amounts falling due within one year	15	<u>2,853,080</u>		<u>2,303,085</u>	
NET CURRENT ASSETS			<u>3,847,648</u>		<u>1,573,886</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			30,675,764		28,787,871
CREDITORS					
Amounts falling due after more than one year	16		(5,673,891)		(6,454,571)
PROVISIONS FOR LIABILITIES	20		<u>(1,725,022)</u>		<u>(1,701,528)</u>
NET ASSETS			<u>23,276,851</u>		<u>20,631,772</u>
CAPITAL AND RESERVES					
Called up share capital	21	1,362,106		1,371,054	
Share premium	22	3,712,396		3,712,396	
Revaluation reserve	22	8,615,197		8,880,830	
Capital redemption reserve	22	160,590		151,641	
Retained earnings	22	<u>9,426,562</u>		<u>6,515,851</u>	
SHAREHOLDERS' FUNDS	26	<u>23,276,851</u>		<u>20,631,772</u>	

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2021 and were signed on its behalf by:

Mr W J Davies - Director

COMPANY BALANCE SHEET
31 MARCH 2021

	Notes	31.3.21 £	£	31.3.20 £	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		5,886,677		5,994,538
Investments	12		6,247,458		6,247,458
			<u>12,134,135</u>		<u>12,241,996</u>
CURRENT ASSETS					
Stocks	13	4,000		4,000	
Debtors	14	2,751,608		4,991,559	
Cash at bank and in hand		<u>4,023,837</u>		<u>618,975</u>	
		6,779,445		5,614,534	
CREDITORS					
Amounts falling due within one year	15	<u>3,534,615</u>		<u>1,690,319</u>	
NET CURRENT ASSETS			<u>3,244,830</u>		<u>3,924,215</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			15,378,965		16,166,211
CREDITORS					
Amounts falling due after more than one year	16		(5,673,891)		(6,454,571)
PROVISIONS FOR LIABILITIES	20		<u>(78,199)</u>		<u>(63,150)</u>
NET ASSETS			<u>9,626,875</u>		<u>9,648,490</u>
CAPITAL AND RESERVES					
Called up share capital	21		1,362,106		1,371,054
Share premium	22		3,712,396		3,712,396
Revaluation reserve	22		2,674,844		2,739,387
Capital redemption reserve	22		160,589		151,640
Retained earnings	22		<u>1,716,940</u>		<u>1,674,013</u>
SHAREHOLDER FUNDS	26		<u>9,626,875</u>		<u>9,648,490</u>
Company's profit for the financial year			<u>532,277</u>		<u>2,183,941</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2021 and were signed on its behalf by:

Mr W J Davies - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 April 2019	1,454,333	8,434,170	3,712,396
Total comprehensive income	-	3,097,604	-
Purchase of own shares	-	(5,015,923)	-
Cancellation of own shares	(83,279)	-	-
Total transactions with owners, recognised directly in equity	(83,279)	(5,015,923)	-
Balance at 31 March 2020	1,371,054	6,515,851	3,712,396
Total comprehensive income	-	3,464,604	-
Purchase of own shares	-	(553,893)	-
Cancellation of own shares	(8,948)	-	-
Total transactions with owners, recognised directly in equity	(8,948)	(553,893)	-
Balance at 31 March 2021	1,362,106	9,426,562	3,712,396
	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 April 2019	10,026,197	67,494	23,694,590
Total comprehensive income	(1,145,367)	-	1,952,237
Purchase of own shares	-	-	(5,015,923)
Maintain capital upon redemption	-	84,147	84,147
Cancellation of own shares	-	-	(83,279)
Total transactions with owners, recognised directly in equity	-	84,147	(5,015,055)
Balance at 31 March 2020	8,880,830	151,641	20,631,772
Total comprehensive income	(265,633)	-	3,198,971
Purchase of own shares	-	-	(553,893)
Maintain capital upon redemption	-	8,949	8,949
Cancellation of own shares	-	-	(8,948)
Total transactions with owners, recognised directly in equity	-	8,949	(553,892)
Balance at 31 March 2021	8,615,197	160,590	23,276,851

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 April 2019	1,454,333	4,441,452	3,712,396
Total comprehensive income	-	2,248,484	-
Purchase of own shares	-	(5,015,923)	-
Cancellation of own shares	(83,279)	-	-
Total transactions with owners, recognised directly in equity	(83,279)	(5,015,923)	-
Balance at 31 March 2020	1,371,054	1,674,013	3,712,396
Total comprehensive income	-	596,820	-
Purchase of own shares	-	(553,893)	-
Cancellation of own shares	(8,948)	-	-
Total transactions with owners, recognised directly in equity	(8,948)	(553,893)	-
Balance at 31 March 2021	1,362,106	1,716,940	3,712,396
	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 April 2019	3,164,388	67,493	12,840,062
Total comprehensive income	(425,001)	-	1,823,483
Purchase of own shares	-	-	(5,015,923)
Maintain capital upon redemption	-	84,147	84,147
Cancellation of own shares	-	-	(83,279)
Total transactions with owners, recognised directly in equity	-	84,147	(5,015,055)
Balance at 31 March 2020	2,739,387	151,640	9,648,490
Total comprehensive income	(64,543)	-	532,277
Purchase of own shares	-	-	(553,893)
Maintain capital upon redemption	-	8,949	8,949
Cancellation of own shares	-	-	(8,948)
Total transactions with owners, recognised directly in equity	-	8,949	(553,892)
Balance at 31 March 2021	2,674,844	160,589	9,626,875

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

		31.3.21	31.3.20
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	27	3,992,452	4,162,570
Interest paid		(143,480)	(206,444)
Government grants		1,478,850	-
Tax paid		(606,587)	(628,943)
Net cash from operating activities		<u>4,721,235</u>	<u>3,327,183</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(284,132)	(404,209)
Interest received		2,607	-
Joint venture investment		-	30,514
Net cash from investing activities		<u>(281,525)</u>	<u>(373,695)</u>
Cash flows from financing activities			
Bank loans repaid in year		(749,338)	(746,077)
Participating interests new/repaid loans		(79,218)	5,151
Purchase of own shares		(553,893)	(5,015,055)
Net cash from financing activities		<u>(1,382,449)</u>	<u>(5,755,981)</u>
Increase/(decrease) in cash and cash equivalents		<u>3,057,261</u>	<u>(2,802,493)</u>
Cash and cash equivalents at beginning of year	28	1,948,538	4,751,031
Cash and cash equivalents at end of year	28	<u>5,005,799</u>	<u>1,948,538</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. GENERAL INFORMATION

ADL plc is a public company limited by shares incorporated in England (the "company"). The company has no securities admitted to trading on a regulated market.

The registered office is c/o Woodlands of Woolley Residential Home, Woolley Low Moor Lane, Wakefield, WF4 2LN.

The consolidated financial statements for the year ended 31 March 2021 comprise the financial statements of the company and its subsidiaries (the "group") and the group's share of the post-tax results of its joint venture.

The directors have taken advantage of the exemption, as permitted by Section 408 of the Companies Act 2006 and not presented a profit and loss account nor statement of comprehensive income for the company alone.

The group's principal activities are set out in the strategic report.

2. ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Going concern and COVID-19

In determining the appropriate basis of preparation of the financial statements for the year ended 31 March 2021, the directors are required to consider whether the group can continue in operational existence for the foreseeable future; taken to be 12 months from signing the financial statements. The board of directors have concluded that it is appropriate to adopt the going concern basis, having undertaken a thorough assessment of the financial forecasts with specific consideration to the trading position of the group in the context of the current Coronavirus pandemic in the UK, for the reasons set out below.

The directors have assessed the group's financial commitments and consider, after taking into account cash generated from operations and existing facilities, the business would have sufficient liquidity to continue to operate and to discharge its liabilities as they fall due.

The directors, after reviewing the group's operating budgets and financing arrangements, consider that the company and Group have sufficient financing available at the date of approval of this report.

The directors have separately considered the uncertainty as to the future impact of COVID-19 on the ongoing concern assessment. To date the impact on the occupancy rates have remained stable, however the directors cannot predict the longer term impact of the crises. The directors do not consider there to be a material uncertainty arising from the specific downside scenario impact of the crises on the company's and group's occupancy levels and cashflows.

Accordingly, the directors are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued

Basis of consolidation

The group's consolidated financial statements incorporate the results for the company and all entities controlled by the company including its subsidiaries and the group's share of its interest in joint ventures made up to the year-end date.

Subsidiaries and related undertakings

Subsidiary undertakings are all entities over which the group has control. Control exists when the group has the power to direct the relevant activities of an entity so as to affect the return on investment. Joint ventures are investments for which the group shares joint control with a third party. All intercompany balances, transactions and unrealised gains are eliminated upon consolidation.

Investments in joint ventures are carried in the group balance sheet at historical cost plus post-acquisition changes in the group's share of net assets of the entity, less any provision for impairment.

Unlisted investments represent partnership contracts for the operation of care homes. These are valued on a regular basis by a qualified Chartered Surveyor.

Company

Investments in subsidiaries are carried at cost less any impairment loss in the financial statements of the company.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's and group's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key sources of estimation uncertainty that the directors have assessed as being applicable to the company and group and that the most significant effect on the amounts recognised in the financial statements.

(a) Useful economic life of goodwill

The group's consolidated balance sheet includes goodwill, representing the excess of the cost of investments in subsidiary undertakings over the fair value of the underlying net assets at their date of acquisition. As part of the transition to Financial Reporting Standard 102, the directors were required to make a judgement to the useful economic life of the goodwill, which was determined to be between 3 to 10 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

(b) Valuation of freehold property

The valuation method of freehold property is considered most likely to have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. In order to provide an up-to-date accurate valuation an external valuer is contracted to value the property; the latest valuation was undertaken 30 September 2019. In future periods, the directors will continue to review the carrying value of the property to ensure it remains in line with its fair value.

(c) Impairment of investment in subsidiary undertakings

Determining whether the carrying values of the company's investments is impaired requires an estimation of the value in use of the cash-generating units of each of the investments. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. At the balance sheet date, the directors are satisfied that no further provision was necessary against the carrying amount of investments at the balance sheet.

Risk management

(a) Financial risk

The group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department to limit the adverse effects of such finance risks by monitoring levels of debt and related finance costs.

(a - i) Market risk

The group has no exposure to equity securities price risk, as it has no listed equity investments. The group has both interest-bearing assets and liabilities. Interest-bearing assets include only cash balances, all of which earn interest at a variable rate. The group has a policy of maintaining debt at a fixed or capped rate to ensure certainty of future interest cash flows. Thus the group is only exposed to fair value interest rate risk, which is not expected to have a significant impact on profit or loss or equity.

(a - ii) Credit risk

Credit risk arises from cash and cash equivalents as well as exposure to customers including outstanding debtors.

(a - iii) Liquidity risk

The group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure that the group has sufficient available funds for operations and planned expansions.

(b) Capital risk

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued

Turnover

Turnover represents fee income receivable from care services provided. Turnover is recognised in the year in which the company and group obtains the right to consideration as the services provided under contracts have been delivered and is recorded at the value of the consideration due. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors.

Turnover wholly arises within the United Kingdom.

Goodwill

Goodwill arises on consolidation and represents the surplus of fair value of the amount paid for a business (or company) less the fair value of the net assets acquired (assets, liabilities and contingent liabilities). Revisions to goodwill are accounted for in the same manner as the original goodwill.

Goodwill is stated at cost less accumulated amortisation and any accumulated impairment losses. Goodwill is tested annually for impairment.

Goodwill is amortised in equal instalments over their estimated useful economic lives.

The annual rates used are 5 to 10 years.

Amortisation and impairment losses are recognised in the profit and loss within administration expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Short leasehold	- in accordance with the property
Improvements to property	- 10% on cost
Fixtures and fittings	- 25% on cost
Computer equipment	- 33% on cost

Freehold land is considered to have an infinite life and is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Tangible assets (not including freehold property) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use.

Freehold property is originally stated at deemed cost held at valuation at the date of transition to FRS 102. Freehold property is subsequently held at their latest revaluation amount less any accumulated depreciation and accumulated impairment losses. Revaluation gains and losses are taken to a revaluation reserve within equity and reported as other comprehensive income. Revaluation loss is taken to the revaluation reserve to the extent that there is a surplus on the revaluation reserve. Any excess of the loss over the surplus is taken to the profit and loss account. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Valuations are undertaken on a "desk top" basis by a Chartered Surveyor from Cushman & Wakefield on a bi annual basis.

Impairment of fixed assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

- raw materials, consumables and goods for resale - purchase cost on a first-in, first-out basis.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued

Basic financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

(a) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(b) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including foreign currency swaps and forward foreign exchange contracts, are not basic financial instruments. The group has no such financial instruments.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(c) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued

Taxation

Current tax

Current tax is accounted for on the basis of tax laws enacted or substantively enacted at the balance sheet date. Current tax is charged or credited to the profit and loss account, except when it relates to items charged to equity or other comprehensive income.

Deferred tax

Deferred tax is accounted for on the basis of temporary differences arising from differences between the tax base and accounting base of assets and liabilities.

Deferred tax is recognised for all temporary differences, except to the extent where it arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of transaction, affects neither accounting profit nor taxable profit. It is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity or other comprehensive income.

Deferred tax is provided on temporary differences associated with investments in subsidiaries and joint ventures except where the group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Pension costs

The group operates, for the benefit of its employees, a defined contribution scheme. The scheme is funded by the payment of contributions to trustee administered funds which are kept entirely separate from the assets of the group. The group does not operate any defined benefit retirement arrangements.

As of 1 April 2013 it became a statutory requirement to enroll all eligible staff into a workplace pension scheme. Employees are enrolled in the NEST Pension Scheme, an independently administered scheme, and is a defined contribution pension scheme. The employee can choose to "opt out" of the scheme after they have been auto-enrolled, this opt out lasts for three years, after which time the group will be required to re-enroll the employee. The group is required to make employer contributions of the employee's qualifying salary to the NEST Pension Scheme. The pension costs represents contributions payable under the scheme and the group has no liability under the scheme other than for the payment of those contributions.

Contributions outstanding at the balance sheet date amounted to £36,234 (2020 - £34,031).

Share capital

All company shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are cancelled.

Dividends

Dividends on ordinary shares are recognised as a liability at the time it becomes obligated to pay.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

In the opinion of the directors the disclosure of any information required by class of business and geographical markets would be seriously prejudicial to the interests of the group.

4. EMPLOYEES AND DIRECTORS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

	31.3.21	31.3.20
	£	£
Wages and salaries	7,302,134	7,486,103
Social security costs	519,415	502,456
Other pension costs	104,624	104,393
	<u>7,926,173</u>	<u>8,092,952</u>

The average number of employees during the year was as follows:

	31.3.21	31.3.20
Engaged in the provision of care	370	365
Catering, domestic and maintenance	123	121
Management and administration	25	25
	<u>518</u>	<u>511</u>

Key management compensation

Key management includes the directors of the company and managerial staff of care homes. Key management compensation includes salaries, national insurance costs and pension costs. Costs of key management compensation are included within operating expenses.

5. OPERATING PROFIT

The operating profit is stated after charging:

	31.3.21	31.3.20
	£	£
Depreciation - owned assets	656,947	681,173
Goodwill amortisation	28,634	28,634
Auditors' remuneration	21,000	20,500
The auditing of accounts of any associate of the company	39,890	39,221
Non-audit services - accounts preparation	20,905	24,543
Non-audit services - company secretarial	6,000	6,000

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.21	31.3.20
	£	£
Bank loans interest	<u>143,480</u>	<u>206,444</u>

7. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31.3.21	31.3.20
	£	£
Current tax:		
UK corporation tax	848,974	711,181
Under provision in prior years	35	26,377
Total current tax	<u>849,009</u>	<u>737,558</u>
Deferred tax	25,774	(20,867)
Tax on profit	<u>874,783</u>	<u>716,691</u>

UK corporation tax has been charged at 21.49 % (2020 - 23.42 %).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.21 £	31.3.20 £
Profit before tax	<u>4,071,474</u>	<u>3,036,183</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2020 - 19 %)	<u>773,580</u>	576,875
Effects of:		
Expenses not deductible for tax purposes	-	14,980
Depreciation in excess of capital allowances	82,290	112,418
Utilisation of tax losses	(6,896)	-
Adjustments to tax charge in respect of previous periods	35	26,377
Unutilised tax losses	-	6,908
Deferred tax movement	<u>25,774</u>	<u>(20,867)</u>
Total tax charge	<u>874,783</u>	<u>716,691</u>

Tax effects relating to effects of other comprehensive income

	31.3.21 Gross £	Tax £	Net £
Property revaluation adjustments	<u>-</u>	<u>2,280</u>	<u>2,280</u>
	31.3.20 Gross £	Tax £	Net £
Property revaluation adjustments	<u>-</u>	<u>(367,255)</u>	<u>(367,255)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

7. TAXATION - continued

Factors that may affect future tax charges**(a) Tax rate changes**

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2021 on 24 May 2021 (Royal Assent received on 10 June 2021). These include increasing the main rate of tax from 19% to 25% from 1 April 2023 on profits over £250,000. The rate for small profits under £50,000 will remain at 19%.

Where a company's profits fall between £50,000 and £250,000 (the lower and upper limits), it will be able to claim an amount of marginal relief, providing a gradual increase in the corporation tax rate.

A 'super-deduction' will be introduced from 1 April 2021 until 31 March 2023 allowing companies to benefit from a 130% first-year allowance for capital expenditure on qualifying new plant and machinery assets.

Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

(b) Deferred tax

Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. At the reporting date, unrecognised capital tax losses is calculated to be £3,138,812 (2020: £3,138,812). At the reporting date, there was a deferred tax liability of £253,650 (2020: £253,650) for temporary differences of £1,335,000 (2020: £1,335,000) related to unlisted investments. However, the liability is not recognised as the group does not plan to dispose of the investments in the foreseeable future. In addition, the group controls the timing of reversal of the related taxable temporary differences and management is satisfied that they will not reverse in the foreseeable future.

8. INDIVIDUAL PROFIT AND LOSS ACCOUNT

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss account of the parent company is not presented as part of these financial statements.

9. EARNINGS PER SHARE

Earnings per share ("EPS")

EPS directly reflects returns generated for shareholders.

Basic EPS is calculated by dividing the profit or loss attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

For diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares. Currently the group has no such dilutive instruments.

	Earnings £	31.3.21 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	3,196,691	6,797,429	47.03
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	3,196,691	6,797,429	47.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

9. **EARNINGS PER SHARE - continued**

	Earnings £	31.3.20 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	2,319,492	8,139,097	28.50
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	<u>2,319,492</u>	<u>8,139,097</u>	<u>28.50</u>

10. **INTANGIBLE FIXED ASSETS**

Group	Goodwill £
COST	
At 1 April 2020 and 31 March 2021	<u>445,015</u>
AMORTISATION	
At 1 April 2020	250,736
Amortisation for year	<u>28,634</u>
At 31 March 2021	<u>279,370</u>
NET BOOK VALUE	
At 31 March 2021	<u>165,645</u>
At 31 March 2020	<u>194,279</u>

The directors believe that the carrying value of the goodwill is supported by their underlying carrying values.

Amortisation of £28,634 (2020: £28,634) is included in cost of sales in the profit and loss account.

Impairment tests for goodwill

Goodwill is allocated to the group's cash-generating units (CGUs) identified according to operating segment. The recoverable amount of a CGU is determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five year period. Cash flows beyond the five year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long term average growth rate for the whole business in which the CGU operates.

The key assumptions used for value in use calculations are as follows:

UK

Discount rate 12%

Growth rate 3%

These assumptions have been used for the analysis of each CGU within the operating segment. The growth rate used is consistent with its forecasts and expectations of annual fee increases.

Intangible assets are pledged as security against bank loans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short leasehold £	Improvements to property £
COST OR VALUATION			
At 1 April 2020	26,490,000	850,000	555,034
Additions	-	-	47,152
At 31 March 2021	26,490,000	850,000	602,186
DEPRECIATION			
At 1 April 2020	2,084,171	321,950	92,496
Charge for year	403,691	11,990	57,625
At 31 March 2021	2,487,862	333,940	150,121
NET BOOK VALUE			
At 31 March 2021	24,002,138	516,060	452,065
At 31 March 2020	24,405,829	528,050	462,538

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 April 2020	1,938,188	8,871	23,600	29,865,693
Additions	236,980	-	-	284,132
At 31 March 2021	2,175,168	8,871	23,600	30,149,825
DEPRECIATION				
At 1 April 2020	1,707,043	8,870	23,600	4,238,130
Charge for year	183,641	-	-	656,947
At 31 March 2021	1,890,684	8,870	23,600	4,895,077
NET BOOK VALUE				
At 31 March 2021	284,484	1	-	25,254,748
At 31 March 2020	231,145	1	-	25,627,563

Included in cost or valuation of land and buildings is freehold land of £6,260,000 (2020 - £6,260,000) which is not depreciated.

At the reporting date, the directors consider that the carrying value of freehold and leasehold property to be in line with open market expectations.

Bank loans are secured over certain freehold property. All other freehold/leasehold property and fixed assets are pledged as security against bank loans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

11. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 31 March 2021 is represented by:

	Freehold property £	Short leasehold £	Improvements to property £
Valuation in 2017	4,314,030	576,516	-
Valuation in 2019	1,840,000	-	-
Cost	20,335,970	273,484	602,186
	26,490,000	850,000	602,186

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2017	-	-	-	4,890,546
Valuation in 2019	-	-	-	1,840,000
Cost	2,175,168	8,871	23,600	23,419,279
	2,175,168	8,871	23,600	30,149,825

If land and buildings had not been revalued they would have been included at the following historical cost:

	31.3.21 £	31.3.20 £
Cost	14,325,347	14,176,894
Aggregate depreciation	2,957,520	2,766,007
Value of land in freehold land and buildings	4,749,674	4,749,674

Land and buildings were valued on without re-inspection basis on 30 September 2019 by M Robb BSc FRICS of Cushman & Wakefield .

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021
11. TANGIBLE FIXED ASSETS - continued
Group

Due to the uncertainty brought on by Covid, the directors have revisited the "Special Comment Regarding Valuation Methodology in a Covid Environment (see below)" as mentioned in the 31 March 2020 financial statements. The directors have reassessed commentary and have concluded due to the material uncertainty existing in the healthcare market, a formal valuation will be reconsidered for the 31 March 2022 financial statements.

"Special Comment Regarding Valuation Methodology in a Covid-19 Environment by Martin Robb BSc FRICS, International Partner, Cushman & Wakefield Debenham Tie Leung Limited.

As at 31 March 2020, the RICS, as the regulatory body for valuations, had recommended that Material Uncertainty clauses be applied to all valuations.

As agents in the healthcare market we noticed almost all transactional activity come to a halt, rather than terminated. A key factor concerning valuations is the presumption of the "willing buyer and willing seller". In our opinion those circumstances did not exist. Sellers were faced with uncertainty around future trade, but if not forced sellers for any reason, they were comfortable in withdrawing the assets from a sale process. Conversely, buyers were looking to reduce prices often for no better reason than they felt they should ask. The result was an impasse accordingly. We believe that a valuation of the assets at 31 March for balance sheet purposes would be difficult as normal market trading conditions had in effect been suspended.

As at September 2020, a valuation for balance sheet purposes would have to look back at market conditions where transactions were largely being put on hold. We would be adopting a date of valuation when Material Uncertainty applied (as defined by the RICS Red Book) and hindsight confirms this was not lifted until late August 2020. In other words, it was not reasonably foreseeable as at 31 March 2020 that it would be lifted.

It therefore seems reasonable to us that a logical conclusion in the circumstances is not to carry out a revaluation for balance sheet purposes as at 31 March 2020."

Company

	Freehold property £	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 April 2020	6,520,000	86,903	402,915	8,871	7,018,689
Additions	-	-	11,904	-	11,904
At 31 March 2021	<u>6,520,000</u>	<u>86,903</u>	<u>414,819</u>	<u>8,871</u>	<u>7,030,593</u>
DEPRECIATION					
At 1 April 2020	630,755	8,690	375,836	8,870	1,024,151
Charge for year	93,491	4,345	21,929	-	119,765
At 31 March 2021	<u>724,246</u>	<u>13,035</u>	<u>397,765</u>	<u>8,870</u>	<u>1,143,916</u>
NET BOOK VALUE					
At 31 March 2021	<u>5,795,754</u>	<u>73,868</u>	<u>17,054</u>	<u>1</u>	<u>5,886,677</u>
At 31 March 2020	<u>5,889,245</u>	<u>78,213</u>	<u>27,079</u>	<u>1</u>	<u>5,994,538</u>

Included in cost or valuation of land and buildings is freehold land of £ 1,870,000 (2020 - £ 1,870,000) which is not depreciated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

11. TANGIBLE FIXED ASSETS - continued

Company

At the reporting date, the directors consider that the carrying value of freehold leasehold property to be in line with open market expectations.

Bank loans are secured over certain freehold property. All other freehold property and fixed assets are pledged as security against bank loans.

Cost or valuation at 31 March 2021 is represented by:

	Freehold property £	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2014	1,256,559	-	-	-	1,256,559
Valuation in 2017	292,999	-	-	-	292,999
Cost	4,970,442	86,903	414,819	8,871	5,481,035
	<u>6,520,000</u>	<u>86,903</u>	<u>414,819</u>	<u>8,871</u>	<u>7,030,593</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	31.3.21 £	31.3.20 £
Cost	4,970,442	4,970,442
Aggregate depreciation	<u>1,392,965</u>	<u>1,324,344</u>
Value of land in freehold land and buildings	<u>1,539,380</u>	<u>1,539,380</u>

Freehold land and buildings were valued on without re-inspection basis on 30 September 2019 by M Robb BSc FRICS of Cushman & Wakefield .

12. FIXED ASSET INVESTMENTS

Group

	Interest in joint venture £	Unlisted investments £	Totals £
COST OR VALUATION			
At 1 April 2020	57,143	1,335,000	1,392,143
Share of profits	194,722	-	194,722
Share of profits remitted	(179,142)	-	(179,142)
At 31 March 2021	<u>72,723</u>	<u>1,335,000</u>	<u>1,407,723</u>
NET BOOK VALUE			
At 31 March 2021	<u>72,723</u>	<u>1,335,000</u>	<u>1,407,723</u>
At 31 March 2020	<u>57,143</u>	<u>1,335,000</u>	<u>1,392,143</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**Group****Interest in joint venture**

South Garth Residential Care Home

The group's share of South Garth Residential Care Home is as follows:

	31.3.21 £	31.3.20 £
Turnover	<u>398,525</u>	<u>355,369</u>
Profit before tax	194,723	129,143
Taxation	(36,997)	(24,537)
Profit after tax	<u>157,726</u>	<u>104,606</u>
Share of assets		
Fixed assets	-	-
Current assets	88,255	92,336
Share of liabilities		
Liabilities due within one year	(15,532)	(35,193)
Liabilities due after one year or more	-	-
Share of net assets	<u>72,723</u>	<u>57,143</u>

Cost or valuation at 31 March 2021 is represented by:

	Interest in joint venture £	Unlisted investments £	Totals £
Valuation in 2019	-	1,335,000	1,335,000
Cost	<u>72,723</u>	<u>-</u>	<u>72,723</u>
	<u>72,723</u>	<u>1,335,000</u>	<u>1,407,723</u>

Company

	Shares in group undertakings £	Unlisted investments £	Totals £
COST OR VALUATION			
At 1 April 2020 and 31 March 2021	<u>5,544,453</u>	<u>1,335,000</u>	<u>6,879,453</u>
PROVISIONS			
At 1 April 2020 and 31 March 2021	<u>631,995</u>	<u>-</u>	<u>631,995</u>
NET BOOK VALUE			
At 31 March 2021	<u>4,912,458</u>	<u>1,335,000</u>	<u>6,247,458</u>
At 31 March 2020	<u>4,912,458</u>	<u>1,335,000</u>	<u>6,247,458</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

12. FIXED ASSET INVESTMENTS - continued

Company

Cost or valuation at 31 March 2021 is represented by:

	Shares in group undertakings £	Unlisted investments £	Totals £
Valuation in 2017	-	1,425,000	1,425,000
Valuation in 2019	-	(90,000)	(90,000)
Cost	5,544,453	-	5,544,453
	<u>5,544,453</u>	<u>1,335,000</u>	<u>6,879,453</u>

All undertakings listed below are either fully or jointly owned by the company and interests represent ordinary share capital, except where otherwise indicated. All undertakings are consolidated in full.

The nature of business for all the undertakings listed below: operating nursing home(s).

The registered address for all the undertakings listed below: Woodlands of Woolley Residential Home, Woolley Low Moor Lane, Wakefield, WF4 2LN.

a) Subsidiary undertakings

Entity	Country of incorporation	Interest	Holding
ADL Derby Limited	UK	100%	Direct
ADL Leased Homes Limited	UK	100%	Direct
ADL Liverpool Limited	UK	100%	Direct
Solutions (Yorkshire) Limited	UK	100%	Direct
Sunnymede Limited	UK	100%	Direct
Woodland Healthcare Limited	UK	100%	Direct
Woodland Nursing Homes Limited	UK	100%	Direct
Woodlands Of Woolley Limited	UK	100%	Direct

b) Undertakings other than subsidiary undertakings

Joint venture

The company is in a 50% joint venture in operating an unincorporated partnership, South Garth Residential Care, situated in the UK.

Group and company

The directors consider that the carrying value of investments are supported by their underlying net assets.

Investments are pledged as security against bank loans.

13. STOCKS

	Group		Company	
	31.3.21 £	31.3.20 £	31.3.21 £	31.3.20 £
Stocks	<u>14,500</u>	<u>14,500</u>	<u>4,000</u>	<u>4,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Trade debtors	877,308	700,973	94,941	142,858
Amounts owed by group undertakings	-	-	1,951,848	3,613,255
Amounts owed by participating interests	605,868	526,650	605,868	526,650
Other debtors	81,862	569,274	57,295	500,208
Tax	-	-	-	165,660
Prepayments and accrued income	115,391	117,036	41,656	42,928
	<u>1,680,429</u>	<u>1,913,933</u>	<u>2,751,608</u>	<u>4,991,559</u>

Amounts owed by group undertakings and participating interests are unsecured, attract no interest, have no fixed terms of repayment and considered payable on demand.

All debtors held in the group and company are pledged as security against bank loans.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Bank loans (see note 17)	749,339	717,998	749,339	717,998
Trade creditors	218,937	250,731	18,950	60,409
Amounts owed to group undertakings	-	-	2,357,583	511,861
Tax	424,965	182,543	25,230	-
Social security and other taxes	229,011	219,514	74,654	69,199
Other creditors	1,019,717	738,103	174,313	218,103
Accruals and deferred income	211,111	194,196	134,546	112,749
	<u>2,853,080</u>	<u>2,303,085</u>	<u>3,534,615</u>	<u>1,690,319</u>

Amounts owed to group undertakings and participating interests are unsecured, attract no interest, have no fixed terms of repayment and considered payable on demand.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Bank loans (see note 17)	<u>5,673,891</u>	<u>6,454,571</u>	<u>5,673,891</u>	<u>6,454,571</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021
17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>749,339</u>	<u>717,998</u>	<u>749,339</u>	<u>717,998</u>
Amounts falling due between one and two years:				
Bank loans	<u>749,339</u>	<u>736,392</u>	<u>749,339</u>	<u>736,392</u>
Amounts falling due between two and five years:				
Bank loans	<u>2,248,014</u>	<u>2,319,537</u>	<u>2,248,014</u>	<u>2,319,537</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	<u>2,676,538</u>	<u>3,398,642</u>	<u>2,676,538</u>	<u>3,398,642</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Bank loans	<u>6,423,230</u>	<u>7,172,569</u>	<u>6,423,230</u>	<u>7,172,569</u>

Bank loans are secured by registered legal charges over certain freehold property. The legal charges additionally include fixed and floating charges over all the property and undertakings of the company. There is a negative pledge.

The group's debt facilities comprise:

- a loan facility of £4,040,000 repayable in monthly instalments over a fifteen year term. These instalments are £26,208. This facility carries interest at 2.0% over the Bank of England Base Rate.
-
- a loan facility of £7,000,000 repayable in monthly instalments over a fifteen year term. These instalments are £46,685. This facility carries interest at 2.0% over the Banks' Sterling Base Rate.

The group is required to fulfil certain financial covenant conditions in relation to the cash flows available to cover debt servicing obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

19. BASIC FINANCIAL INSTRUMENTS

The group has the following basic financial instruments:

	31.3.21 £	31.3.20 £
Financial assets measured at amortised cost	<u>6,570,837</u>	<u>3,745,435</u>
Financial liabilities measured at amortised cost	<u>7,872,995</u>	<u>8,161,403</u>

The company has the following basic financial instruments:

	31.3.21 £	31.3.20 £
Financial assets measured at amortised cost	<u>6,733,789</u>	<u>5,401,946</u>
Financial liabilities measured at amortised cost	<u>9,308,390</u>	<u>8,075,691</u>

20. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.3.21 £	31.3.20 £	31.3.21 £	31.3.20 £
Deferred tax	<u>1,725,022</u>	<u>1,701,528</u>	<u>78,199</u>	<u>63,150</u>
Group				
				Deferred tax
				£
Balance at 1 April 2020				<u>1,701,528</u>
Accelerated capital allowances				<u>23,494</u>
Balance at 31 March 2021				<u>1,725,022</u>
Company				
				Deferred tax
				£
Balance at 1 April 2020				<u>63,150</u>
Accelerated capital allowances				<u>15,049</u>
Balance at 31 March 2021				<u>78,199</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.21 £	31.3.20 £
6,691,512	Ordinary	0.05	<u>334,576</u>	343,524
20,550,600	Deferred	0.05	<u>1,027,530</u>	<u>1,027,530</u>
			<u>1,362,106</u>	<u>1,371,054</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

21. CALLED UP SHARE CAPITAL - continued

Deferred shares do not entitle the holder to receive notice of and to attend or vote at any general meeting of the company or to receive dividends or other distributions. Upon winding up or dissolution of the company the holders of deferred shares shall be entitled to receive an amount equal to the nominal amount paid up thereon, but only after holders of ordinary shares have received £1,000 per ordinary share. Holders of deferred shares are not entitled to any further rights of participation in the assets of the company.

Purchase of own shares and cancellation

During the reporting period, the company purchased and cancelled ordinary 5p shares totalling 178,966 (2020: 1,682,945). The cancelled shares represented 0.65% (2020: 5.79%) of the called up share capital. The shares were acquired for a total consideration of £536,898 (2020: £4,988,835) and the nominal value of the shares totalled £8,948 (2020: £84,147). The maximum and minimum prices paid were 300 per share respectively. Share-related expenses in relation to stamp duty and other charges were £16,995 (2020: £27,088).

22. RESERVES

Group

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 April 2020	6,515,851	3,712,396	8,880,830	151,641	19,260,718
Profit for the year	3,196,691	-	-	-	3,196,691
Tax effect on revaluations	-	-	2,280	-	2,280
Depreciation transfer	267,913	-	(267,913)	-	-
Purchase of own shares	(553,893)	-	-	-	(553,893)
Maintain capital upon redemption	-	-	-	8,949	8,949
At 31 March 2021	<u>9,426,562</u>	<u>3,712,396</u>	<u>8,615,197</u>	<u>160,590</u>	<u>21,914,745</u>

Company

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 April 2020	1,674,013	3,712,396	2,739,387	151,640	8,277,436
Profit for the year	532,277	-	-	-	532,277
Depreciation transfer	64,543	-	(64,543)	-	-
Purchase of own shares	(553,893)	-	-	-	(553,893)
Maintain capital upon redemption	-	-	-	8,949	8,949
At 31 March 2021	<u>1,716,940</u>	<u>3,712,396</u>	<u>2,674,844</u>	<u>160,589</u>	<u>8,264,769</u>

Share premium represents the difference between par value of the ordinary shares issued and the subscription price or issue price.

Revaluation reserve represents the surplus or deficit arising between the fair value and book value of freehold/leasehold properties and deferred tax thereon.

Capital redemption reserve represents the movement of the nominal value of ordinary shares cancelled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021
23. RELATED PARTY DISCLOSURES

Group and company
 Charlton Court Limited and Oakhurst Court Limited
 Company directors Mr W J Davies and Mrs P L Jackson are common key management personnel.

The group has previously entered into separate partnership agreements with the related parties.
 During the reporting period, amounts £362,836 (2020: £408,089) and £163,435 (2020: £100,000) respectively were due to the company.

At the reporting date, the company was owed £88,436 (2020: £93,302) and £517,432 (2020: £433,348) respectively.

Outstanding amounts are unsecured, attract no interest, have no fixed terms of repayment and considered payable on demand.

24. POST BALANCE SHEET EVENTS

The COVID-19 pandemic has developed rapidly in 2020 & 2021 respectively. Measures taken by various governments to contain the virus have affected economic activity and the extent and quantum of the disruptions remain uncertain. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as social distancing, working from home and securing the supply of services that are essential to our business. At this stage, the impact on our business and results has not been significant and based on our experience to date we expect this to remain the case. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our business in the best and safest way possible.

25. ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking and controlling party is ADL plc (a public limited company incorporated in England and Wales). ADL plc is both the smallest and largest group the consolidated financial statements are drawn up. The registered office address of ADL plc is c/o Woodlands Of Woolley Residential Home, Woolley, Low Moor Lane, Woolley, Wakefield, England, WF4 2LN. Copies of ADL plc financial statements to 31 March 2021 may be obtained from the registered office address.

There has been no change between the reporting date and date of approval of the financial statements.

26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**Group**

	31.3.21	31.3.20
	£	£
Profit for the financial year	3,196,691	2,319,492
Other comprehensive income relating to the year (net)	2,280	(367,255)
Purchase own shares	(553,892)	(5,015,055)
Net addition/(reduction) to shareholders' funds	2,645,079	(3,062,818)
Opening shareholders' funds	20,631,772	23,694,590
Closing shareholders' funds	23,276,851	20,631,772

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company

	31.3.21 £	31.3.20 £
Profit for the financial year	532,277	2,183,941
Other comprehensive income relating to the year (net)	-	(360,458)
Purchase own shares	(553,892)	(5,015,055)
Net reduction of shareholder funds	(21,615)	(3,191,572)
Opening shareholder funds	9,648,490	12,840,062
Closing shareholder funds	9,626,875	9,648,490

27. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.3.21 £	31.3.20 £
Profit before taxation	4,071,474	3,036,183
Depreciation charges	685,581	709,807
Government grants	(1,478,850)	-
Finance costs	143,480	206,444
Finance income	(2,607)	-
	3,419,078	3,952,434
Decrease in trade and other debtors	312,722	183,309
Increase in trade and other creditors	260,652	26,827
Cash generated from operations	3,992,452	4,162,570

28. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2021

	31.3.21 £	1.4.20 £
Cash and cash equivalents	5,005,799	1,948,538

Year ended 31 March 2020

	31.3.20 £	1.4.19 £
Cash and cash equivalents	1,948,538	4,751,031

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

29. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	1,948,538	3,057,261	5,005,799
	<u>1,948,538</u>	<u>3,057,261</u>	<u>5,005,799</u>
Debt			
Debts falling due within 1 year	(717,998)	(31,341)	(749,339)
Debts falling due after 1 year	(6,454,571)	780,680	(5,673,891)
	<u>(7,172,569)</u>	<u>749,339</u>	<u>(6,423,230)</u>
Total	<u>(5,224,031)</u>	<u>3,806,600</u>	<u>(1,417,431)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.