REGISTERED NUMBER: 02463465 (England and Wales)

ADL PLC

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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FOR THE YEAR ENDED 31 MARCH 2023

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COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2023

DIRECTORS:	P L Jackson W J Davies
SECRETARY:	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)
AUDITORS:	Cox Costello & Horne Chartered Accountants and Statutory Auditors Batchworth Lock House 99 Church Street, Rickmansworth WD3 1JJ
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 2023

I want to congratulate Pearl Jackson and our staff following another record year despite the increases in inflation.

Many Local Authorities, but not all, have been raising fees to cover our increasing costs. In some cases we could earn significantly more utilising homes for asylum seekers which we would prefer not to do. However if the fees do not keep up with our inflated costs we may have to.

The investment the company has made by the purchase back of ADL shares and the increased retained earning has meant the value per share has increased to £4.38 (2022 - £3.83)

This year as in previous years we are not declaring a dividend but instead we are making an offer of £4.25. per shares for outstanding shares on a first come first basis from available cash resources.

Last year we reduced our bank debt by £2.3m and dependent on the number of shareholders who take up the above offer any remaining resources will then be used to further reduce bank debt.

I would like to wish all our shareholders the compliments of the season.

W J Davies - Chairman
15 December 2023

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The directors present their strategic report of the company and the group for the year ended 31 March 2023.

REVIEW OF BUSINESS AND MANAGING DIRECTORS REPORT
The company and group results of 2023 are a good improvement on those of 2022, with the exception of the effects of the reduction in local authority grants received.

Regulators continue to take up more and more of our time leaving less time for us to care for residents and improve the business.

Net assets per share have increased to £4.38 from last year's £3.83 due mainly to retained earnings and a further reduction of 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 £4.25 per share, subject to available resources.

Once again we would like to express the Board's gratitude to all the staff for their caring and support of our clients during these turbulent times.

PRINCIPAL RISKS AND UNCERTAINTIES
The principle risks and uncertainties of the business are as follows:

1. The affects and consequences of a Virus 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/migration controls
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

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 details.

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:

W J Davies - Director

15 December 2023

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2023.

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 2023.

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.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

P L Jackson
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.

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, the company purchased and cancelled ordinary 5p shares totalling 378,075 (2022: 740,295). The cancelled shares represented 6.35% (2022: 11.06%) of the called up share capital. The shares were acquired for a total consideration of £1,512,300 (2022: £2,587,963) and the nominal value of the shares totalled £18,894 (2022: £37,014). The maximum and minimum prices paid were 400 per share. Share-related expenses in relation to stamp duty and other charges were £7,565 (2022: £12,940).

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 OF DIRECTORS' RESPONSIBILITIES
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.

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:

W J Davies - Director

15 December 2023

Opinion
We have audited the financial statements of ADL PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 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 2023 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.

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 five, 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.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We designed procedures in line with our responsibilities outlined above, to detect material misstatements in respect of irregularities, including fraud.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our: general commercial and sector experience; through verbal and written communications with those charged with governance and other management; and via inspection of the company's regulatory and legal correspondence.

We discussed with those charged with governance and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations to our team and remained alert to any indicators of non-compliance throughout the audit, we also specifically considered where and how fraud may occur within the company.

The potential effect of these laws and regulations on the financial statements varies considerably.
Firstly, the company is subject to laws and regulations that directly affect the financial statements, including: the company's constitution, relevant financial reporting standards; company law; tax legislation and distributable profits legislation and we assess the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigations. We identified the following areas as those most likely to have such an effect: laws and regulations relevant to Care Quality Commission regulated company; employment legislation; health and safety legislation; data protection legislation; anti-bribery and corruption legislation.

International Auditing Standards (UK) limit the required procedures to identify non-compliance with these laws and regulations, and no procedures over and above those already noted are required. These limited procedures did not identify any actual or suspected non-compliance with laws and regulations that could have a material impact on the financial statements.

In relation to fraud, we performed the following specific procedures in addition to those already noted:

* Challenging assumptions made by management in its significant accounting estimates;
* Identifying and testing journal entries, in particular any entries posted with unusual nominal ledger account combinations, journal entries crediting cash or any revenue account, and journal entries posted by senior management;
* Performing analytical procedures to identify unexpected movements in account balances which may be indicative of fraud;
* Ensuring that testing undertaken on both the performance statement and the Balance Sheet includes a number of items selected on a random basis;

These procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with International Auditing Standards UK). For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the procedures that we are required to undertake would identify it. In addition, as with any audit, there remains a high risk of non-detection of irregularities, as these might involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. We are not responsible for preventing non-compliance with laws and regulations or fraud, and cannot be expected to detect non-compliance with all laws and regulations or every incidence of fraud.

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
Batchworth Lock House
99 Church Street, Rickmansworth
WD3 1JJ

15 December 2023

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	31.3.23 £	31.3.22 £
TURNOVER			
Group and share of joint ventures		18,062,260	14,939,082
Less:			
Share of joint ventures' turnover		(436,270)	(409,827)
GROUP TURNOVER	3	17,625,990	14,529,255
Cost of sales		10,365,329	9,026,142
GROSS PROFIT		7,260,661	5,503,113
Administrative expenses		2,697,872	2,665,438
		4,562,789	2,837,675
Other operating income		-	1,112,559
OPERATING PROFIT	5	4,562,789	3,950,234
Interest receivable and similar income		6,025	3,031
Interest payable and similar expenses	6	(203,758)	(139,230)
PROFIT BEFORE TAXATION		4,365,056	3,814,035
Tax on profit	7	922,336	781,855
PROFIT FOR THE FINANCIAL YEAR		3,442,720	3,032,180
OTHER COMPREHENSIVE LOSS			
Property revaluation adjustments		-	(1,157,571)
Investment revaluation adjustments			
Income tax relating to other comprehensive loss		(273,076)	208,363
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF INCOME TAX		(273,076)	(949,208)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,169,644	2,082,972
Profit attributable to:			
Owners of the parent		3,442,720	3,032,180
Total comprehensive income attributable to:			
Owners of the parent		3,169,644	2,082,972
Earnings per share expressed			
in pence per share:	9		
Basic		58.74	46.26
Diluted		58.74	46.26

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 MARCH 2023

	Notes	£	31.3.23 £	£	31.3.22 £
FIXED ASSETS					
Intangible assets	10		108,377		137,011
Tangible assets	11		23,492,633		23,499,537
Investments	12				
Interest in joint venture					
Share of gross assets			187,058		111,967
Share of gross liabilities			(26,243)		(26,166)
			160,815		85,801
Other investments			1,335,000		1,335,000
			25,096,825		25,057,349
CURRENT ASSETS					
Stocks	13	14,500		14,500	
Debtors	14	3,910,607		2,531,195	
Cash at bank and in hand		2,149,832		4,448,908	
		6,074,939		6,994,603	
CREDITORS					
Amounts falling due within one year	15	2,750,516		2,826,424	
NET CURRENT ASSETS			3,324,423		4,168,179
TOTAL ASSETS LESS CURRENT LIABILITIES			28,421,248		29,225,528
CREDITORS					
Amounts falling due after more than one year	16		(2,220,459)		(4,959,270)
PROVISIONS FOR LIABILITIES	20		(1,777,781)		(1,493,029)
NET ASSETS			24,423,008		22,773,229
CAPITAL AND RESERVES					
Called up share capital	21		1,306,198		1,325,092
Share premium	22		3,712,396		3,712,396
Revaluation reserve	22		6,945,299		7,374,926
Capital redemption reserve	22		216,497		197,603
Retained earnings	22		12,242,618		10,163,212
SHAREHOLDERS' FUNDS	25		24,423,008		22,773,229

The financial statements were approved by the Board of Directors and authorised for issue on 15 December 2023 and were signed on its behalf by:

W J Davies - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31 MARCH 2023

	Notes	31.3.23 £	31.3.23 £	31.3.22 £	31.3.22 £
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		5,274,561		5,348,530
Investments	12		7,247,358		7,247,358
			12,521,919		12,595,888
CURRENT ASSETS					
Stocks	13	4,000		4,000	
Debtors	14	3,010,715		2,465,484	
Cash at bank and in hand		1,196,815		2,539,236	
		4,211,530		5,008,720	
CREDITORS					
Amounts falling due within one year	15	3,626,651		3,394,968	
NET CURRENT ASSETS			584,879		1,613,752
TOTAL ASSETS LESS CURRENT LIABILITIES			13,106,798		14,209,640
CREDITORS					
Amounts falling due after more than one year	16		(2,220,459)		(4,959,270)
PROVISIONS FOR LIABILITIES	20		(269,598)		-
NET ASSETS			10,616,741		9,250,370
CAPITAL AND RESERVES					
Called up share capital	21		1,306,198		1,325,092
Share premium	22		3,712,396		3,712,396
Revaluation reserve	22		2,001,306		2,247,601
Capital redemption reserve	22		216,496		197,602
Retained earnings	22		3,380,345		1,767,679
SHAREHOLDER FUNDS	25		10,616,741		9,250,370
Company's profit for the financial year			3,139,886		2,564,153

The financial statements were approved by the Board of Directors and authorised for issue on 15 December 2023 and were signed on its behalf by:

W J Davies - Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 April 2021	1,362,106	9,426,562	3,712,396
Total comprehensive income	-	3,323,243	-
Purchase of own shares	-	(2,586,593)	-
Cancellation of own shares	(37,014)	-	-
Total transactions with owners, recognised directly in equity	(37,014)	(2,586,593)	-
Balance at 31 March 2022	1,325,092	10,163,212	3,712,396
Total comprehensive income	-	3,599,271	-
Purchase of own shares	-	(1,519,865)	-
Cancellation of own shares	(18,894)	-	-
Total transactions with owners, recognised directly in equity	(18,894)	(1,519,865)	-
Balance at 31 March 2023	1,306,198	12,242,618	3,712,396

	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 April 2021	8,615,197	160,590	23,276,851
Total comprehensive income	(1,240,271)	-	2,082,972
Purchase of own shares	-	-	(2,586,593)
Maintain capital upon redemption	-	37,013	37,013
Cancellation of own shares	-	-	(37,014)
Total transactions with owners, recognised directly in equity	-	37,013	(2,586,594)
Balance at 31 March 2022	7,374,926	197,603	22,773,229
Total comprehensive income	(429,627)	-	3,169,644
Purchase of own shares	-	-	(1,519,865)
Maintain capital upon redemption	-	18,894	18,894
Cancellation of own shares	-	-	(18,894)
Total transactions with owners, recognised directly in equity	-	18,894	(1,519,865)
Balance at 31 March 2023	6,945,299	216,497	24,423,008

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 April 2021	1,362,106	1,716,940	3,712,396
Total comprehensive income	-	2,637,332	-
Purchase of own shares	-	(2,586,593)	-
Cancellation of own shares	(37,014)	-	-
Total transactions with owners, recognised directly in equity	(37,014)	(2,586,593)	-
Balance at 31 March 2022	1,325,092	1,767,679	3,712,396
Total comprehensive income	-	3,132,531	-
Purchase of own shares	-	(1,519,865)	-
Cancellation of own shares	(18,894)	-	-
Total transactions with owners, recognised directly in equity	(18,894)	(1,519,865)	-
Balance at 31 March 2023	1,306,198	3,380,345	3,712,396

	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 April 2021	2,674,844	160,589	9,626,875
Total comprehensive income	(427,243)	-	2,210,089
Purchase of own shares	-	-	(2,586,593)
Maintain capital upon redemption	-	37,013	37,013
Cancellation of own shares	-	-	(37,014)
Total transactions with owners, recognised directly in equity	-	37,013	(2,586,594)
Balance at 31 March 2022	2,247,601	197,602	9,250,370
Total comprehensive income	(246,295)	-	2,886,236
Purchase of own shares	-	-	(1,519,865)
Maintain capital upon redemption	-	18,894	18,894
Cancellation of own shares	-	-	(18,894)
Total transactions with owners, recognised directly in equity	-	18,894	(1,519,865)
Balance at 31 March 2023	2,001,306	216,496	10,616,741

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	26	3,438,091	3,025,163
Interest paid		(203,758)	(139,230)
Government grants		-	934,323
Tax paid		(807,309)	(842,246)
Net cash from operating activities		2,427,024	2,978,010
Cash flows from investing activities			
Purchase of tangible fixed assets		(496,299)	-
Interest received		6,025	3,031
Joint venture share of profits remitted		84,902	162,723
Net cash from investing activities		(405,372)	165,754
Cash flows from financing activities			
Bank loans repaid in year		(3,008,211)	(741,332)
Participating interests new loans		207,348	(372,730)
Purchase of own shares		(1,519,865)	(2,586,593)
Net cash from financing activities		(4,320,728)	(3,700,655)
Decrease in cash and cash equivalents		(2,299,076)	(556,891)
Cash and cash equivalents at beginning of year	27	4,448,908	5,005,799
Cash and cash equivalents at end of year	27	2,149,832	4,448,908

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 2022 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
In determining the appropriate basis of preparation of the financial statements for the year ended 31 March 2023, 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.

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.

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

continued...

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.

continued...

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 29 September 2022. 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.

continued...

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 art 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.

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.

continued...

2. **ACCOUNTING POLICIES - continued**

Government grants
Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity.

Grants related to income are government grants other than those related to assets. If the grant is for expenditure that the company would normally record in the profit or loss accounts, the grant income is reflected as income in the profit or loss accounts. Such a grant may be deferred if it relates to specific expenditure which has not yet been incurred.

Stocks
Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. When stock are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of stocks to estimated selling price less costs to complete and sell and all losses of stocks are recognised as an expense in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of stock is recognised as a reduction in the amount of stocks recognised as an expense in the period in which the reversal occurs.

continued...

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.

continued...

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.

Leasing commitments

Rentals payable under operating leases are recognised as an expense on a straight line basis over the lease term.

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 one of the following schemes, People's Pension or NEST Pension, independently administered schemes, and are defined contribution pension schemes. The employee can choose to "opt out" of the schemes 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 People's Pension or NEST Pension schemes. The pension costs represents contributions payable under the schemes and the group has no liability under the schemes other than for the payment of those contributions.

Contributions outstanding at the balance sheet date amounted to £40,302 (2022 - £37,668).

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.

continued...

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

	31.3.23	31.3.22
	£	£
Wages and salaries	8,387,543	7,532,903
Social security costs	674,907	523,902
Other pension costs	166,347	171,477
	9,228,797	8,228,282

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

	31.3.23	31.3.22
Engaged in the provision of care	350	339
Catering, domestic and maintenance	115	112
Management and administration	24	23
	489	474

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/(crediting):

	31.3.23	31.3.22
	£	£
Other operating leases - property	(2)	-
Depreciation - owned assets	503,203	597,640
Goodwill amortisation	28,634	28,634
Auditors' remuneration	21,000	21,850
Auditors' remuneration for non audit work	-	(103)
The auditing of accounts of any associate of the company	43,640	39,890
Non-audit services - accounts preparation	25,984	22,556
Non-audit services - company secretarial	6,000	6,000

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.23	31.3.22
	£	£
Bank loans interest	201,398	132,622
Interest payable	2,360	6,608
	203,758	139,230

continued...

7. TAXATION

Analysis of the tax charge

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

	31.3.23	31.3.22
	£	£
Current tax:		
UK corporation tax	902,510	844,867
Under provision in prior years	8,150	(39,382)
Total current tax	910,660	805,485
Deferred tax	11,676	(23,630)
Tax on profit	922,336	781,855

UK corporation tax has been charged at 21.45 % (2022 - 20.50 %).

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:

	31.3.23	31.3.22
	£	£
Profit before tax	4,365,056	3,814,035
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2022 - 19 %)	829,361	724,667
Effects of:		
Expenses not deductible for tax purposes	5,441	-
Depreciation in excess of capital allowances	79,294	116,776
Utilisation of tax losses	(11,586)	-
Adjustments to tax charge in respect of previous periods	8,150	(39,382)
Unutilised tax losses	-	3,424
Deferred tax movement	11,676	(23,630)
Total tax charge	922,336	781,855

Tax effects relating to effects of other comprehensive income

			31.3.23
	Gross	Tax	Net
	£	£	£
Property revaluation adjustments	-	(19,426)	(19,426)
Investment revaluation adjustments	-	(253,650)	(253,650)
	-	(273,076)	(273,076)

			31.3.22
	Gross	Tax	Net
	£	£	£
Property revaluation adjustments	(1,157,571)	208,363	(949,208)

continued...

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.

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 (2022: £3,138,812).At the reporting date, unrecognised capital losses was calculated to be £1,676,689 (2022: £1,676,689). At the reporting date, there was a deferred tax liability of £253,650 (2022: £253,650) for temporary differences of £1,335,000 (2022: £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.

			31.3.23
	Earnings £	Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	3,442,720	5,861,120	58.74
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	3,442,720	5,861,120	58.74

continued...

9. **EARNINGS PER SHARE - continued**

			31.3.22
	Earnings £	Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	3,032,180	6,554,751	46.26
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	3,032,180	6,554,751	46.26

10. **INTANGIBLE FIXED ASSETS**

Group

	Goodwill £
COST	
At 1 April 2022 and 31 March 2023	445,015
AMORTISATION	
At 1 April 2022	308,004
Amortisation for year	28,634
At 31 March 2023	336,638
NET BOOK VALUE	
At 31 March 2023	108,377
At 31 March 2022	137,011

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

Amortisation of £28,634 (2022: £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.

continued...

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short leasehold £	Improvements to property £
COST OR VALUATION			
At 1 April 2022	25,666,499	515,930	602,186
Additions	420,000	-	-
At 31 March 2023	26,086,499	515,930	602,186
DEPRECIATION			
At 1 April 2022	2,891,554	345,930	207,747
Charge for year	367,996	(1,352)	37,726
At 31 March 2023	3,259,550	344,578	245,473
NET BOOK VALUE			
At 31 March 2023	22,826,949	171,352	356,713
At 31 March 2022	22,774,945	170,000	394,439

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 April 2022	2,175,168	8,871	23,600	28,992,254
Additions	76,299	-	-	496,299
At 31 March 2023	2,251,467	8,871	23,600	29,488,553
DEPRECIATION				
At 1 April 2022	2,015,015	8,871	23,600	5,492,717
Charge for year	98,833	-	-	503,203
At 31 March 2023	2,113,848	8,871	23,600	5,995,920
NET BOOK VALUE				
At 31 March 2023	137,619	-	-	23,492,633
At 31 March 2022	160,153	-	-	23,499,537

Included in cost or valuation of land and buildings is freehold land of £6,320,000 (2022 - £6,320,000) 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 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.

continued...

11. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 31 March 2023 is represented by:

	Freehold property £	Short leasehold £	Improvements to property £
Valuation in 2017	4,314,030	576,516	-
Valuation in 2019	1,840,000	-	-
Valuation in 2022	(823,501)	(334,070)	-
Cost	20,755,970	273,484	602,186
	26,086,499	515,930	602,186

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2017	-	-	-	4,890,546
Valuation in 2019	-	-	-	1,840,000
Valuation in 2022	-	-	-	(1,157,571)
Cost	2,251,467	8,871	23,600	23,915,578
	2,251,467	8,871	23,600	29,488,553

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

	31.3.23 £	31.3.22 £
Cost	14,745,347	14,325,347
Aggregate depreciation	3,348,256	3,152,888
Value of land in freehold land and buildings	4,749,674	4,749,674

Land and buildings were valued on an informal basis on 31 March 2023 by directors .

continued...

11. **TANGIBLE FIXED ASSETS - continued**

Company

	Freehold property	Improvements to property	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
COST OR VALUATION					
At 1 April 2022	6,088,215	86,903	414,819	8,871	6,598,808
Additions	-	-	23,287	-	23,287
At 31 March 2023	6,088,215	86,903	438,106	8,871	6,622,095
DEPRECIATION					
At 1 April 2022	817,738	17,380	406,289	8,871	1,250,278
Charge for year	87,364	4,345	5,547	-	97,256
At 31 March 2023	905,102	21,725	411,836	8,871	1,347,534
NET BOOK VALUE					
At 31 March 2023	5,183,113	65,178	26,270	-	5,274,561
At 31 March 2022	5,270,477	69,523	8,530	-	5,348,530

Included in cost or valuation of land and buildings is freehold land of £ 1,720,000 (2022 - £ 1,720,000) which is not depreciated.

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

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

Cost or valuation at 31 March 2023 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
Valuation in 2022	(431,785)	-	-	-	(431,785)
Cost	4,970,442	86,903	438,106	8,871	5,504,322
	6,088,215	86,903	438,106	8,871	6,622,095

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

	31.3.23	31.3.22
	£	£
Cost	4,970,442	4,970,442
Aggregate depreciation	1,530,207	1,461,586
Value of land in freehold land and buildings	1,539,380	1,539,380

Freehold land and buildings were valued on an informal basis on 31 March 2023 by directors .

continued...

12. FIXED ASSET INVESTMENTS

Group

	Interest in joint venture £	Unlisted investments £	Totals £
COST OR VALUATION			
At 1 April 2022	85,801	1,335,000	1,420,801
Share of profits	176,815	-	176,815
Share of profits remitted	(101,801)	-	(101,801)
At 31 March 2023	160,815	1,335,000	1,495,815
NET BOOK VALUE			
At 31 March 2023	160,815	1,335,000	1,495,815
At 31 March 2022	85,801	1,335,000	1,420,801

Interest in joint venture

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

	31.3.23 £	31.3.22 £
Turnover	436,270	409,827
Profit before tax	176,815	175,801
Taxation	(33,595)	(33,402)
Profit after tax	143,220	142,399
Share of assets		
Fixed assets	-	-
Current assets	187,058	111,967
Share of liabilities		
Liabilities due within one year	(26,243)	(26,166)
Liabilities due after one year or more	-	-
Share of net assets	160,815	85,801

Cost or valuation at 31 March 2023 is represented by:

	Interest in joint venture £	Unlisted investments £	Totals £
Valuation in 2019	-	1,335,000	1,335,000
Cost	160,815	-	160,815
	160,815	1,335,000	1,495,815

continued...

12. FIXED ASSET INVESTMENTS - continued

Company

	Shares in group undertakings £	Unlisted investments £	Totals £
COST OR VALUATION			
At 1 April 2022 and 31 March 2023	6,544,353	1,335,000	7,879,353
PROVISIONS			
At 1 April 2022 and 31 March 2023	631,995	-	631,995
NET BOOK VALUE			
At 31 March 2023	5,912,358	1,335,000	7,247,358
At 31 March 2022	5,912,358	1,335,000	7,247,358

Cost or valuation at 31 March 2023 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	6,544,353	-	6,544,353
	6,544,353	1,335,000	7,879,353

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.

continued...

13. STOCKS

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Stocks	14,500	14,500	4,000	4,000

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Trade debtors	2,087,166	1,290,940	388,580	253,391
Amounts owed by group undertakings	-	-	846,672	1,084,027
Amounts owed by participating interests	1,105,197	978,598	1,105,197	991,705
Other debtors	551,768	137,324	642,869	110,158
Deferred tax asset	-	-	-	1,483
Prepayments and accrued income	166,476	124,333	27,397	24,720
	3,910,607	2,531,195	3,010,715	2,465,484

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	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Bank loans (see note 17)	453,228	722,628	453,228	722,628
Trade creditors	251,729	219,280	70,508	44,982
Amounts owed to group undertakings	-	-	2,300,664	2,114,658
Amounts owed to participating interests	510,092	-	496,984	-
Tax	298,515	388,204	(67,903)	93,730
Social security and other taxes	290,584	286,472	91,040	84,534
Other creditors	775,030	1,056,886	202,288	256,519
Accruals and deferred income	171,338	152,954	79,842	77,917
	2,750,516	2,826,424	3,626,651	3,394,968

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	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Bank loans (see note 17)	2,220,459	4,959,270	2,220,459	4,959,270

continued...

17. **LOANS**

An analysis of the maturity of loans is given below:

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	453,228	722,628	453,228	722,628
Amounts falling due between one and two years:				
Bank loans	465,633	722,628	465,633	722,628
Amounts falling due between two and five years:				
Bank loans	1,471,328	2,167,884	1,471,328	2,167,884
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	283,498	2,068,758	283,498	2,068,758

18. **SECURED DEBTS**

The following secured debts are included within creditors:

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Bank loans	2,673,687	5,681,898	2,673,687	5,681,898

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. Each of the legal charges contain a negative pledge..

The group's debt facilities comprise:
- the loan was settled during the year. The loan facility was £4,040,000 repayable in monthly instalments over a fifteen year term. The monthly instalments at the reporting date was £26,458. 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. The monthly instalments at the reporting date was £45,814. 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.

continued...

19. BASIC FINANCIAL INSTRUMENTS

The group has the following basic financial instruments:

	31.3.23	31.3.22
	£	£
Financial assets measured at amortised cost	4,788,767	6,896,233
Financial liabilities measured at amortised cost	4,289,546	7,168,156

The company has the following basic financial instruments:

	31.3.23	31.3.22
	£	£
Financial assets measured at amortised cost	2,228,264	4,948,764
Financial liabilities measured at amortised cost	2,969,620	8,175,974

20. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Deferred tax	1,777,781	1,493,029	269,598	-

Group

	Deferred tax
	£
Balance at 1 April 2022	1,493,029
Accelerated capital allowances	11,676
Revalued property	19,426
Revalued investments	253,650
Balance at 31 March 2023	1,777,781

Company

	Deferred tax
	£
Balance at 1 April 2022	(1,483)
Accelerated capital allowances	17,431
Investment revaluation	253,650
Balance at 31 March 2023	269,598

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.23 £	31.3.22 £
5,573,162	Ordinary	0.05	278,668	297,562
20,550,798	Deferred	0.05	1,027,530	1,027,530
			1,306,198	1,325,092

continued...

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 378,075 (2022: 740,295). The cancelled shares represented 6.35% (2022: 11.06%) of the called up share capital. The shares were acquired for a total consideration of £1,512,300 (2022: £2,587,963) and the nominal value of the shares totalled £18,894 (2022: £37,014). The maximum and minimum prices paid were 400 per share. Share-related expenses in relation to stamp duty and other charges were £7,565 (2022: £12,940).

22. RESERVES

Group

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 April 2022	10,163,212	3,712,396	7,374,926	197,603	21,448,137
Profit for the year	3,442,720	-	-	-	3,442,720
Tax effect on revaluations	-	-	(273,076)	-	(273,076)
Depreciation transfer	156,551	-	(156,551)	-	-
Purchase of own shares	(1,519,865)	-	-	-	(1,519,865)
Maintain capital upon redemption	-	-	-	18,894	18,894
At 31 March 2023	12,242,618	3,712,396	6,945,299	216,497	23,116,810

Company

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 April 2022	1,767,679	3,712,396	2,247,601	197,602	7,925,278
Profit for the year	3,139,886	-	-	-	3,139,886
Tax effect on revaluations	-	-	(253,650)	-	(253,650)
Depreciation transfer	(7,355)	-	7,355	-	-
Purchase of own shares	(1,519,865)	-	-	-	(1,519,865)
Maintain capital upon redemption	-	-	-	18,894	18,894
At 31 March 2023	3,380,345	3,712,396	2,001,306	216,496	9,310,543

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.

continued...

23. RELATED PARTY DISCLOSURES

Charlton Court Limited and Oakhurst Court Limited - participating interest
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, profit share due to the group was £358,825 (2022: £420,339) and £343,938 (2022: £189,270) respectively.

At the reporting date, the group owed to £425,130 (2022: £146,164) and owed from £1,189,328 (2022: £832,434) respectively.

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

24. 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 2023 may be obtained from the registered office address.

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	31.3.23	31.3.22
	£	£
Profit for the financial year	3,442,720	3,032,180
Other comprehensive income relating to the year (net)	(273,076)	(949,208)
Purchase own shares	(1,519,865)	(2,586,594)
Net addition/(reduction) to shareholders' funds	1,649,779	(503,622)
Opening shareholders' funds	22,773,229	23,276,851
Closing shareholders' funds	24,423,008	22,773,229

Company

	31.3.23	31.3.22
	£	£
Profit for the financial year	3,139,886	2,564,153
Other comprehensive income relating to the year (net)	(253,650)	(354,064)
Purchase own shares	(1,519,865)	(2,586,594)
Net addition/(reduction) to shareholder funds	1,366,371	(376,505)
Opening shareholder funds	9,250,370	9,626,875
Closing shareholder funds	10,616,741	9,250,370

continued...

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

	31.3.23	31.3.22
	£	£
Profit before taxation	4,365,056	3,814,035
Depreciation charges	531,837	626,273
Joint venture share of profits	(176,811)	(175,801)
Government grants	-	(934,323)
Finance costs	203,758	139,230
Finance income	(6,025)	(3,031)
	4,917,815	3,466,383
Increase in trade and other debtors	(1,252,813)	(478,036)
(Decrease)/increase in trade and other creditors	(226,911)	36,816
Cash generated from operations	3,438,091	3,025,163

27. 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 2023

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	2,149,832	4,448,908

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	4,448,908	5,005,799

28. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
Net cash			
Cash at bank and in hand	4,448,908	(2,299,076)	2,149,832
	4,448,908	(2,299,076)	2,149,832
Debt			
Debts falling due within 1 year	(722,628)	269,400	(453,228)
Debts falling due after 1 year	(4,959,270)	2,738,811	(2,220,459)
	(5,681,898)	3,008,211	(2,673,687)
Total	(1,232,990)	709,135	(523,855)