Registered number: 02772562

HOMEBRIDGE TWO LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

These unaudited financial statements are submitted for filing accompanied by the audited financial statements of its parent company Lifeways Finance Limited (06295365) in accordance with the audit exemption requirements of Section 479A of the Companies Act 2006.

HOMEBRIDGE TWO LIMITED

COMPANY INFORMATION

Directors	J Tydeman C Moher
Registered number	02772562
Registered office	56 Southwark Bridge Road London SE1 0AS United Kingdom
Bankers	HSBC Bank PLC 26 Broad Street Reading Berkshire RG1 2BU United Kingdom HSBC Bank PLC
Solicitors	Shoosmiths LLP Witan Gate House 500-600 Witan Gate West Milton Keynes MK9 1SH United Kingdom

HOMEBRIDGE TWO LIMITED

CONTENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

Introduction

The directors present their report and the unaudited financial statements for the year ended 31 August 2021 for Homebridge Two Limited ("the Company"). The corresponding prior period was for the period ended 31 August 2020.

Principal activity

The Company's principal activity during the year continued to be the provision of properties for rental to companies in the Listrac Holdings Limited group of companies ("the Group").

The Company is a subsidiary in the Listrac Holdings Limited group of companies ("the Group").

Key performance indicators

The key financial and other performance indicators during the year were as follows:

	2021	2020
	£	£
Revenue	**645,828**	704,796
Operating loss	**(888,337)**	(249,261)
Loss before tax	**(621,813)**	(190,382)

Performance in the year

The Company reported a statutory loss before tax for the financial year of £0.6m compared to a loss of £0.2m the previous year. As the principal activity of the Company during the year continued to be the letting of rental properties to other group companies the revenue is mainly rental revenue.

The decrease in statutory result was predominately due to a higher provision being recognised in the current year for intercompany debtors compared to the previous year.

The COVID pandemic had little impact on the Company's trading during the year due to its purpose as a rental recharge company of the wider Lifeways group.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Going concern

Liquidity and cash flows, including debt facilities, are managed across the Listrac Holdings Limited Group ("the Group") as a whole, with the company included as one of a number of subsidiaries being obligors under the Group's Senior Facilities Agreement. In undertaking their going concern assessment for the company, the Directors have reviewed the financial performance and cashflow forecast for the Group for a period of at least 12 months from the date of signing these financial statements, including liquidity and covenant headroom ("the Financial Forecast"). The Group's third-party debt facilities expire in August 2022 and November 2022, with the shareholder loans due for repayment in November 2022.

The Group is currently in full compliance with the financial covenants of its Senior Facilities Agreement and, based on the Financial Forecast, the Group's Directors expect that it will continue to be so over the going concern period. The Company's Directors have therefore concluded that they have a reasonable expectation that the company will also have adequate resources to continue in operational existence for the foreseeable future. For these reasons, the Directors continue to adopt the going concern basis in preparing the annual financial statements.

However, under certain downside scenarios to the Financial Forecast, the Group would not remain in compliance with the financial covenants of its Senior Facilities Agreement at the covenant testing dates of 31 May 2022 and 31 August 2022. The Directors note that, even in these downside scenarios, there remains adequate liquidity headroom under existing facilities. This liquidity position, coupled with the current financial performance of the Group being in line with the base forecast, lead the Directors to believe that, in the event of a covenant breach, a satisfactory outcome would be reached in negotiations with the Group's lenders and shareholders such that the operating businesses, including the Company, continue to remain solvent.

There is a low level of headroom on covenants in the Financial Forecast in certain quarters and, in their assessment of the possible downside scenarios to the Financial Forecast, the Directors have considered a number of risk factors including rate increases, occupancy levels and additional costs/inefficiencies arising from COVID-19. In particular, the Directors consider that one of the most critical assumptions in the financial forecast is the annual rates uplift to be agreed with Local Authorities and their commissioners. The downside scenarios referred to above assume that a significant proportion of those commissioners who are currently not following central and local government direction to pay increased rates to providers of social care services continue to do so.

The Directors note that the Group has already made significant progress in securing adequate rate increases from many commissioners and expects to cover the cost of the National Living Wage increase applied in April 2021 in relation to services delivered for those Local Authorities. The Group has seen a solid trading performance over the COVID-19 period as set out above under "Performance in the year".

In relation to the scheduled tranches of debt expiry from August 2022 and beyond, the Directors have a reasonable expectation that a satisfactory outcome will be reached either in refinancing the Group, or through securing alternative sources of finance, such that the operating business, including the Company, continue to remain solvent.

The Directors have concluded that risks of forecast covenant breaches and failing to refinance the group represent material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and, in such circumstances, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Future developments

There are no planned changes to the activity of this company.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Dividends

There were no dividends paid in the year (2020: £NIL).

Results

The income statement for the year ended 31 August 2021 is set out on page 5.

Directors

The directors who served during the year and to the date of signing the financial statements were:

J Tydeman
C Moher

Geographical location

The Company is registered within the UK. There are no trading branches domiciled outside the UK.

Qualifying third party indemnity provisions

During the year the company had in force an indemnity provision in favour of one or more directors of Homebridge Two Limited against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006.

Environmental matters

Although the Group's principal activity has minimal environmental impact and the majority of energy consumption noted below relates to providing heating and electricity for vulnerable individuals in a residential setting, the Board believes that good environmental practices support the broader strategy of enhancing the reputation of the Company as well as fostering the morale of staff and service user we support.

The Group is committed to minimising carbon and other greenhouse gases emitted from the operations of the business. The Company seeks to encourage energy and waste saving initiatives wherever possible whilst ensuring delivery of the highest quality of care in the communities that we serve.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 27 May 2022 and signed on its behalf.

C Moher
Director

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HOMEBRIDGE TWO LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Turnover	3	**645,828**	704,796
Gross profit		**645,828**	704,796
Administrative expenses		**(1,534,165)**	(954,057)
Operating loss	4	**(888,337)**	(249,261)
Adjustment for the effect of:			
Depreciation of tangible assets	11	**(93,671)**	(98,317)
Provision for intercompany debtors	13	**(1,437,055)**	(854,983)
Adjusted EBITDA		**642,389**	704,039
Profit on sale of tangible assets		**264,615**	58,950
Interest receivable and similar income	8	**1,980**	-
Interest payable and similar expenses	9	**(71)**	(71)
Loss before tax		**(621,813)**	(190,382)
Taxation on loss	10	**11,459**	3,824
Loss for the year from continuing operations		**(610,354)**	(186,558)
Attributable to:			
Owners of the Company		**(610,354)**	(186,558)

There were no recognised gains and losses for 2021 or 2020 other than those included in the Income Statement. Accordingly, no separate Statement of Comprehensive Income is presented.

The notes on pages 8 to 20 form part of these financial statements.

HOMEBRIDGE TWO LIMITED
REGISTERED NUMBER: 02772562

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2021

	Note	2021	2020
		£	£
Fixed Assets			
Tangible assets	11	3,518,938	4,139,493
Investments	12	13	13
		3,518,951	4,139,506
Current assets			
Debtors falling due within one year	13	47,706	36,248
		47,706	36,248
Current liabilities			
Creditors falling due within one year	14	(3,322)	(2,065)
Net current assets		44,384	34,183
Total assets less current liabilities		3,563,335	4,173,689
Net assets		3,563,335	4,173,689
Capital and reserves			
Share capital	16	2,026,421	2,026,421
Retained earnings		1,536,914	2,147,268
Equity attributable to the owners of the parent		3,563,335	4,173,689

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 May 2022.

CMCW

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C Moher
Director

The notes on pages 8 to 20 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2021

	Share capital £	Retained earnings £	Total equity £
At 1 September 2020	**2,026,421**	**2,147,268**	**4,173,689**
Comprehensive loss for the year	**-**	***(610,354)***	***(610,354)***
Balance at 31 August 2021	**2,026,421**	**1,536,914**	**3,563,335**

The notes on pages 8 to 20 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2020

	Share capital £	Retained earnings £	Total equity £
Balance at 1 September 2019	2,026,421	2,333,826	4,360,247
Comprehensive loss for the year	-	(186,558)	(186,558)
Balance at 31 August 2020	2,026,421	2,147,268	4,173,689

The notes on pages 8 to 20 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

1.1 General information

Homebridge Two Limited ("the Company") provides rental property to other group companies who provide services for people with diverse and often complex needs. The Company is a private company, limited by shares and is incorporated in England and Wales. The address of the Company's registered office is 56 Southwark Bridge Road, London, SE1 0AS, United Kingdom and the Company's registered number is 02772562.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. The company has applied the amendments to FRS 102 issued by the FRC in December 2017 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2019.

The functional currency of Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

1.3 Exemption from preparing group accounts

The financial statements contain information about Homebridge Two Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included in the consolidated financial statements of its ultimate parent company, Lifeways Finance Limited, a company incorporated in England and Wales. The financial statements of Lifeways Finance Limited are available from the registered office of this company.

1.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.5 Impairment

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1. Accounting policies (continued)

1.6 Going concern

Liquidity and cash flows, including debt facilities, are managed across the Listrac Holdings Limited Group ("the Group") as a whole, with the company included as one of a number of subsidiaries being obligors under the Group's Senior Facilities Agreement. In undertaking their going concern assessment for the company, the Directors have reviewed the financial performance and cashflow forecast for the Group for a period of at least 12 months from the date of signing these financial statements, including liquidity and covenant headroom ("the Financial Forecast"). The Group's third-party debt facilities expire in August 2022 and November 2022, with the shareholder loans due for repayment in November 2022.

The Group is currently in full compliance with the financial covenants of its Senior Facilities Agreement and, based on the Financial Forecast, the Group's Directors expect that it will continue to be so over the going concern period. The Company's Directors have therefore concluded that they have a reasonable expectation that the company will also have adequate resources to continue in operational existence for the foreseeable future. For these reasons, the Directors continue to adopt the going concern basis in preparing the annual financial statements.

However, under certain downside scenarios to the Financial Forecast, the Group would not remain in compliance with the financial covenants of its Senior Facilities Agreement at the covenant testing dates of 31 May 2022 and 31 August 2022. The Directors note that, even in these downside scenarios, there remains adequate liquidity headroom under existing facilities. This liquidity position, coupled with the current financial performance of the Group being in line with the base forecast, lead the Directors to believe that, in the event of a covenant breach, a satisfactory outcome would be reached in negotiations with the Group's lenders and shareholders such that the operating businesses, including the Company, continue to remain solvent.

There is a low level of headroom on covenants in the Financial Forecast in certain quarters and, in their assessment of the possible downside scenarios to the Financial Forecast, the Directors have considered a number of risk factors including rate increases, occupancy levels and additional costs/inefficiencies arising from COVID-19. In particular, the Directors consider that one of the most critical assumptions in the financial forecast is the annual rates uplift to be agreed with Local Authorities and their commissioners. The downside scenarios referred to above assume that a significant proportion of those commissioners who are currently not following central and local government direction to pay increased rates to providers of social care services continue to do so.

The Directors note that the Group has already made significant progress in securing adequate rate increases from many commissioners and expects to cover the cost of the National Living Wage increase applied in April 2021 in relation to services delivered for those Local Authorities. The Group has seen a solid trading performance over the COVID-19 period as set out above under "Performance in the year".

In relation to the scheduled tranches of debt expiry from August 2022 and beyond, the Directors have a reasonable expectation that a satisfactory outcome will be reached either in refinancing the Group, or through securing alternative sources of finance, such that the operating business, including the Company, continue to remain solvent.

The Directors have concluded that risks of forecast covenant breaches and failing to refinance the group represent material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and, in such circumstances, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.7 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Fixtures and fittings	- 20% straight line
Other fixed assets	20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

The carrying values are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1. Accounting policies (continued)

1.9 *Financial instruments*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) *The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive* variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the Life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

1. Accounting policies (continued)

1.7 Financial instruments (continued)

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

1.10 Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the life of the lease.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard to continue to be charged over the period to the first market rent review rather than the term of the lease.

1.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1. Accounting policies (continued)

1.12 Unusual or non-recurring items

Unusual or non-recurring items represents items of income and expenditure which individually, or in aggregate, are of exceptional size or incidence, and in the directors' judgement should be presented separately because they are relevant to an understanding of the Company's trading performance.

1.13 Adjusted EBITDA

Adjusted EBITDA represents operating profit before interest, tax, depreciation, amortisation, provision for intercompany debtor and unusual and non-recurring items. It is the directors' judgement that this best reflects the trading performance of the Company and accordingly it is presented as a separate item in the profit and loss account alongside the statutory performance measures.

1.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.15 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts 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.

Critical judgements in applying the Group's accounting policies

During the current year, there were no critical judgements or key source of estimation uncertainty made in the process of applying the entity's accounting policies that could have significant effect on the amounts recognised in the financial statements.

3. Turnover

Turnover represents amounts receivable for services provided in the year of account. All turnover was derived from activities located in the United Kingdom. No segmental data is provided on the basis that the revenue streams are not significantly differentiated.

4. Operating loss

The operating loss is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible assets (note 11)	**93,671**	98,317
Provision for intercompany debtors (note 13)	**1,437,055**	854,983

5. Auditor's remuneration

Fees payable to Deloitte LLP for the audit of the Company were borne by other companies within the Group and disclosed in the consolidated financial statements of the parent, Lifeways Finance Limited. Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2020: £nil).

7. Directors' remuneration

No remuneration was paid or is payable to the directors in their capacity as directors of the Company (2020: £nil). The directors receive remuneration from a fellow group undertaking, Lifeways Community Care Limited in respect of services to the group of which the Company is a member. Total remuneration payable by the enlarged group to the directors of the Company (including pension scheme contributions) was £739,333 (2020: £1,372,588). It is not possible to identify the proportion of this remuneration that relates to this company.

8. Interest receivable

	2021 £	2020 £
Other interest receivable	**1,980**	-
	1,980	-

9. Interest payable and similar expenses

	2021 £	2020 £
Interest payable to group undertakings	**71**	71
	71	71

10. Taxation

	2021 £	2020 £
Deferred tax		
Origination and reversal of timing differences	**(9)**	(9)
Changes to tax rates	**(11,450)**	(3,815)
Total deferred tax	**(11,459)**	(3,824)
Taxation on loss – credit	**(11,459)**	(3,824)

Factors affecting tax credit for the year

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2021 £	2020 £
Loss before tax	**(621,813)**	(190,382)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19.00%)	**(118,144)**	(36,173)
Effects of:		
Expenses not deductible for tax purposes	**279,606**	201,852
Tax rate changes	**(11,449)**	(3,815)
Other	**1**	(1)
Group relief	**(161,473)**	(165,687)
Total tax credit for the year	**(11,459)**	(3,824)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

The standard rate of corporation tax in the UK will remain unchanged at 19.00% until April 2023 when it will rise to 25.00% for year ends beginning 1 April 2023. Accordingly, this rate has been applied in determining the deferred tax assets and liabilities as at 31 August 2021.

11. Tangible fixed assets

	Freehold land & buildings £	Fixtures and fittings £	Total £
Cost			
At 1 September 2020	5,805,517	360,762	6,166,279
Disposals	(595,000)	(166,437)	(761,437)
At 31 August 2021	5,210,517	194,325	5,404,842
Depreciation			
At 1 September 2020	1,666,076	360,709	2,026,786
Charge for the year	93,619	52	93,672
Disposals	(68,116)	(166,437)	(234,554)
At 31 August 2021	1,691,579	194,324	1,885,904
Net book value			
At 31 August 2021	3,518,938	-	3,518,938
At 31 August 2020	4,139,441	53	4,139,493

12. Fixed asset investments

	Investments in associates £
Cost	
At 1 September 2020	13
At 31 August 2021	13

13. Debtors

	2021	2020
	£	£
Deferred taxation	**47,706**	36,248
	47,706	36,248

The amounts owed by group undertakings is deemed at risk for recoverability and doubtful debt provision on amounts owed by group undertakings has been recognised in the current year.

Included in the amounts due within one year is £4,741,815 (2020: £3,304,760) of which a provision of £1,437,055 was recognised during the year (2020: £854,983). The closing balance of doubtful debt provision in current year is £4,741,815 (2020: £3,304,760) resulting in a net balance of £nil (2020: £nil).

Amounts owed by group undertakings carry interest of 3-month LIBOR plus 5.25% per annum and are repayable on demand.

14. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Amounts owed to group undertakings	**1,384**	1,315
Accruals and deferred income	**1,938**	750
	3,322	2,065

Amounts owed to group undertakings carry interest of 3-month LIBOR plus 5.25% per annum and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

15. Deferred taxation

	2021	2020
	£	£
At start of year	**36,248**	32,424
Charged to the income statement	**11,458**	3,824
At end of year	**47,706**	36,248

The deferred tax asset is made up as follows:

	2021	2020
	£	£
Fixed asset timing differences	**47,707**	36,248
	47,707	36,248

16. Share capital

	2021	2020
	£	£
Authorised, allotted, called up and fully paid		
2,026,421 (2020: 2,026,421) Ordinary shares of £1.00 each	**2,026,421**	2,026,421
	2,026,421	2,026,421

17. *Charges*

The Company's assets are subject to fixed and floating charges over the Group's lending with HSBC *Corporate Trustee Company (UK) Limited. The value of loans is £178.6m (2020: £173.6m)* at the reporting date.

18. Related party transactions

The Company has taken advantage of the exemption in FRS 102 not to disclose transactions with other group companies.

19. Events after the reporting date

In December 2021 the Supplemental Agreement relating to Senior Facilities Agreement (SFA) was amended to update loan facilities for the discontinuation of LIBOR from 1 January 2022.

20. Controlling party

The Company's immediate parent company is Lifeways Finance Limited, registered in England and Wales.

The smallest group which include the results of the Company and for which group financial statements are prepared is Lifeways Finance Limited, a company incorporated in England and Wales. Copies of the Group financial statements of Lifeways Finance Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ. The address of Lifeways Finance Limited's registered office is 56 Southwark Bridge Road, London, England, SE1 0AS.

The ultimate parent undertaking of the largest group which includes the Company's results and for which group financial statements are prepared is Listrac Holdings Limited, a company incorporated in Jersey, Channel Islands. The address of Listrac Holdings Limited is 44 The Esplanade, St Helier, Jersey, JE4 9WG. Copies of the Group financial statements of Listrac Holdings Limited may be obtained from the registered office of this company.

Listrac Holdings Limited is a portfolio company of OMERS Administration Corporation ("OMERS") as administrator of the OMERS pension plans and trustee of the pension funds.