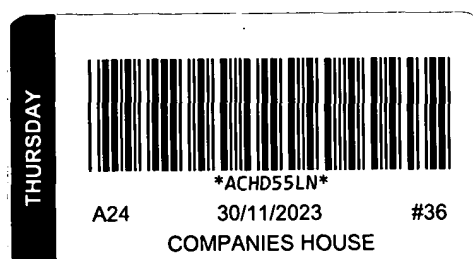


Registered number:
03519503

CMG HOMES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023



CMG HOMES LIMITED

CONTENTS

	Page
Company Information	1
Directors' Report	2 - 3
Independent Auditor's Report to members of CMG Homes Limited	4 - 7
Income Statement	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 19

CMG HOMES LIMITED

COMPANY INFORMATION

Directors	G J Fitton E L Pearson
Company secretary	G J Fitton
Registered number	03519503
Registered office	Poolmead House Watery Lane Twerton Bath England BA2 1RN
Independent auditor	KPMG LLP Global House High Street Crawley West Sussex RH10 1DQ

CMG HOMES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2023

The directors present their report and the financial statements for the year ended 28 February 2023.

Principal activity

The principal activity of the company continued to be that of leasing care home properties.

Directors

The directors who served during the year were:

G J Fitton
E L Pearson

Results and dividends

The loss for the year, after taxation, amounted to £12,978 (2022 - profit £37,377).

No ordinary dividends were paid during the year (2022: £nil).

Directors' responsibilities statement

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

CMG HOMES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2023**

Principal risks and uncertainties

The directors have assessed the level of risk within the business and believe it to be similar to comparable UK based care and support organisations, where sound working capital management and good purchaser relations are essential to the future well-being of the Company. The directors believe that the current controls and processes within the business are appropriate and adequate to achieve this position.

Management have prepared detailed forecasts for the Galaxy Group for the period to February 2024, as well as a long-term plan out to February 2025. Net debt levels, servicing costs and covenant requirements are closely monitored and managed according to strict management processes. Management have considered the expected availability of working capital and achievement of covenants required. The risks of the Company are managed as a Group and are fully disclosed within the Galaxy Group Bidco Limited consolidated accounts.

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

KPMG LLP were appointed as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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


.....
G J Fitton
Director

Date:

12/7/23

Poolemead House
Watery Lane
Twerton
Bath
England
BA2 1RN

CMG HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CMG HOMES LIMITED

Opinion

We have audited the financial statements of CMG Homes Limited (the 'Company') for the year ended 28 February 2023, which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

CMG HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CMG HOMES LIMITED (CONTINUED)

Fraud and breaches of law and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, as to the Company's high-level policies and procedures to prevent and detect fraud, including the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet budget targets, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's sales consist of large volumes of predictable low-value recurring rental service incomes, which are largely billed and recognized automatically and which do not require any significant judgements to determine revenue recognition.

We did not identify any additional fraud risks.

We performed procedures including:

Identifying journal entries to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts associated with cash.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

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 and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

CMG HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CMG HOMES LIMITED (CONTINUED)

Context of the ability of the audit to detect fraud or breaches of law or regulation

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 auditing standards. 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 inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- The directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

CMG HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CMG HOMES LIMITED (CONTINUED)

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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.

A fuller description of our responsibilities is provided on the FRC's website at: www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, 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 members those matters we are required to state to them in an Auditor's 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Sheppard (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Global House
High Street
Crawley
West Sussex
RH10 1DQ

Date: 12 July 2023

CMG HOMES LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2023**

	Note	2023 £	2022 £
Turnover		7,590,215	7,021,767
Cost of sales		(5,562,363)	(4,634,366)
Gross profit		2,027,852	2,387,401
Administrative expenses		(2,027,852)	(2,387,401)
Operating profit	4	-	-
Tax on profit	5	(12,978)	37,377
(Loss)/profit for the financial year		(12,978)	37,377

The income statement has been prepared on the basis that all operations are continuing.


The notes on pages 11 to 19 form part of these financial statements.

CMG HOMES LIMITED
REGISTERED NUMBER: 03519503

STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2023

	Note	2023 £	2022 £
Current assets			
Debtors: amounts falling due within one year	6	154,867	167,845
Cash at bank and in hand	7	463,457	101,696
		<u>618,324</u>	<u>269,541</u>
Creditors: amounts falling due within one year	8	(1,423,080)	(1,009,407)
Net current liabilities		<u>(804,756)</u>	<u>(739,866)</u>
Total assets less current liabilities		<u>(804,756)</u>	<u>(739,866)</u>
Provisions for liabilities			
Other provisions	10	(619,468)	(671,380)
		<u>(619,468)</u>	<u>(671,380)</u>
Net liabilities		<u><u>(1,424,224)</u></u>	<u><u>(1,411,246)</u></u>
Capital and reserves			
Called up share capital	11	1,000	1,000
Profit and loss account		(1,425,224)	(1,412,246)
		<u><u>(1,424,224)</u></u>	<u><u>(1,411,246)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



G J Fitton
 Director

Date: 12/7/23

The notes on pages 11 to 19 form part of these financial statements.

CMG HOMES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 March 2021	1,000	(1,449,623)	(1,448,623)
Comprehensive income for the year			
Profit for the year	-	37,377	37,377
At 1 March 2022	1,000	(1,412,246)	(1,411,246)
Comprehensive income for the year			
Loss for the year	-	(12,978)	(12,978)
At 28 February 2023	1,000	(1,425,224)	(1,424,224)

The notes on pages 11 to 19 form part of these financial statements.

CMG HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

1. General information

CMG Homes Limited is a Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies are set out below.

This Company is a qualifying entity for the purposes of FRS102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The Company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' - Reconciliation of the opening and closing of number of shares;
- Section 7 'Statement of Cash Flows' - Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial instruments' and Section 12 'Other Financial Instrument Issues'- Carrying amounts, interest income/expenses and net gains/losses for each category of financial instrument; basis of determining fair value changes recognised in profit and loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Galaxy Group Bidco Limited. These consolidated financial statements are available from its registered office, Poolmead House, Watery Lane, Twerton, Bath, England, BA2 1RN.

CMG HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

2. Accounting policies (continued)

2.2 Going concern

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons. At the balance sheet date the Company had cash balances of £0.46m, net current liabilities of £0.80m and net liabilities of £1.42m.

The Company is a member of the group headed by Galaxy Group Midco Limited and guarantees the obligations of the Galaxy Group's borrowers under the group's finance facilities agreements. Details are provided in the other financial commitments note 12, but other than interest costs, there are no cash requirements relating to these facilities until December 2026. In their assessment of going concern relating to the group, the directors of Galaxy Group Midco Limited have concluded that there are no material uncertainties that may cast significant doubt on the group's ability to continue as a going concern and that it remains appropriate to prepare the financial statements on a going concern basis.

In making their assessment relating to the Company, the directors have prepared projected cash flow information for the period of twelve months from the date of the approval of these financial statements. The projections include impact on occupancy levels and current challenges faced in the industry around employment in the care sector. Based on these projections, the directors believe they will operate within the existing facilities and that all banking covenants (tested at a group level) will be met.

The directors have also forecast a more severe but plausible downside scenario in which occupancy levels are more greatly impacted and even in this scenario, the directors believe they will continue to operate within existing facilities and that all banking covenants will be met.

The forecasts for the Company are dependent on the Company's immediate parent company, Achieve Together Limited, not seeking repayment of the amounts currently owed by the Company, which at 28 February 2023 amounted to £1.15m. Achieve Together Limited has indicated that it will not seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so, particularly as the individual companies involved do not have any expected cash requirements during the projection period.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.3 Turnover

Turnover represents sales and services to third party customers in the care sector, stated net of any applicable value added tax. Turnover is recognised when the services are provided.

2.4 Operating leases

Rentals paid under operating leases are charged to the income statement 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

CMG HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

2. Accounting policies (continued)

2.5 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.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

CMG HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

2. Accounting policies (continued)

2.9 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the income statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

CMG HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Key source of estimation uncertainty

There are no sources of estimation uncertainty at the year end that has a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities during the year ended February 2023.

Estimates have been applied by the company in respect to the valuation of dilapidation provision, in particular the judgement used when assessing the extent to which the provision should be recognised with consideration given to estimates of the works to be completed prior to the end of the property lease.

Critical accounting judgements

There are no material judgements in preparation of these financial statement.

4. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Other operating lease rentals	<u>799,096</u>	<u>873,755</u>

Auditors' remuneration in respect of audit fees has been borne by Achieve Together Limited, a group Company.

Other than the directors, the Company had no employees (2022: nil).

The directors received remuneration paid by Achieve Together Limited in respect of their services to other group Companies.

5. Taxation

	2023 £	2022 £
Deferred tax		
Origination and reversal of timing differences	9,863	2,906
Changes to tax rates	3,115	(40,283)
Total deferred tax	<u>12,978</u>	<u>(37,377)</u>
Taxation on profit / (loss)	<u>12,978</u>	<u>(37,377)</u>

CMG HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

5. Taxation (continued)

Factors affecting tax charge for the year

The actual charge for the year can be reconciled to the expected charge for the year based on the income statement and the standard rate of tax as follows:

	2023 £	2022 £
Profit before tax	-	-
Profit multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	-	-
Effects of:		
Tax rate changes	3,115	(40,283)
Transfer pricing adjustments	9,863	2,906
Total tax charge for the year	12,978	(37,377)

Factors that may affect future tax charges

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the COVID-19 pandemic. These included an increase to the UK's main corporation tax rate from 19% to 25%, which is due to be effective from 1 April 2023. These changes were substantively enacted on 24 May 2021; therefore the closing deferred tax balances have been calculated at this rate where they are expected to unwind after 1 April 2023.

CMG HOMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

6. Debtors

	2023	2022
	£	£
Deferred taxation	154,867	167,845
	<u>154,867</u>	<u>167,845</u>

7. Cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	463,457	101,696
	<u>463,457</u>	<u>101,696</u>

8. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Amounts owed to group undertakings	1,149,663	869,258
Accruals and deferred income	273,417	140,149
	<u>1,423,080</u>	<u>1,009,407</u>

Amounts owed to group undertakings are unsecured and interest free. The lender has confirmed that they would not demand repayment of the intercompany balance if it was to impact the going concern position of the Company.

CMG HOMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

9. Deferred taxation

	2023 £	2022 £
At beginning of year	167,845	130,468
Credited / charged to the income statement	(12,978)	37,377
At end of year	<u>154,867</u>	<u>167,845</u>

The deferred tax asset is made up as follows:

	2023 £	2022 £
Short term timing differences	154,867	167,845
	<u>154,867</u>	<u>167,845</u>

10. Provisions for liabilities and charges

	Property dilapidation provision £
At 1 March 2022	671,380
Released in year	(51,912)
At 28 February 2023	<u>619,468</u>

The property provision relates to the cost of bringing the properties back to the required state of repair at the end of the lease in 2034.

CMG HOMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

11. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
1,000- Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

12. Commitments under operating leases

At 28 February 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Land and buildings		
Not later than 1 year	660,171	660,171
Later than 1 year and not later than 5 years	2,640,684	2,640,684
Later than 5 years	3,365,487	4,025,658
	<u>6,666,342</u>	<u>7,326,513</u>

13. Financial commitments

The Company is party to cross guarantees for the bank debts due by all companies within Galaxy Group Bidco Limited Group. Total amounts due as at 28 February 2023 amounted to £285.6m (2022: £267.5m). The Company's assets are securitised against the loan held.

14. Related party transactions

The Company has taken the exemption provided under FRS-102 to not disclose intercompany transactions between members of the Group where the entities are wholly owned by the parent Company.

15. Controlling party

The immediate parent of CMG Homes Limited is Achieve Together Limited a Company registered in the UK. The ultimate Parent Company is AMP Capital Investors (European Infrastructure No 5) S.à r.l. incorporated in Luxembourg. The Company is held by funds managed by InfraBridge Investors (UK) Limited (formerly AMP Capital Investors (UK) Limited) which was incorporated in the UK.

The smallest and largest Group into which the results of the Company are consolidated is Galaxy Group Bidco Limited and Galaxy Group Midco Limited respectively. The consolidated financial statements of both companies may be obtained from Poolemead House, Watery Lane, Twerton, Bath, England, BA2 1RN and 7th Floor 50 Broadway, London, United Kingdom, SW1H 0DB respectively.