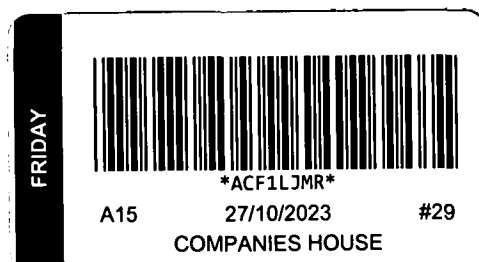


Company registration number 03681826 (England and Wales)

HALLIWELL HOMES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



HALLIWELL HOMES LIMITED

COMPANY INFORMATION

Directors	Mr David Sheffield Dr Fenella Quinn Mr M Hargreaves Mr Paul Bliss	(Appointed 31 May 2022) (Appointed 31 May 2022) (Appointed 31 May 2022)
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Secretary	Mr David Sheffield
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Company number	03681826
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Registered office	Pearce House 80 Cawdor Street Eccles Manchester M30 0QF
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Auditor	Geens Limited Graphic House 124 City Road Stoke on Trent ST4 2PH
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HALLIWELL HOMES LIMITED

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HALLIWELL HOMES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The directors present the strategic report for the year ended 31 August 2022.

Fair review of the business

The Halliwell Group of companies offers "clinically informed practice" through the medium of education, fostering and residential care. Our objective is to enhance the psychological health of children within the care system. Our Restorative Parenting® Recovery Programme is a therapeutic re-parenting programme which focuses on addressing the emotional, behavioural, social, and developmental needs of the child. Our approach sets us apart from standard residential childcare providers in that it is clinically informed in every aspect of the child's lived therapeutic experience with the specific aim of helping traumatised children achieve psychological wellbeing.

The Restorative Parenting® Recovery Programme operates on an environmental, interpersonal, and individual level. Psychological growth and recovery are facilitated through the applied understanding of childhood trauma and attachment needs, Positive Behaviour Support and a focus on engagement and achievement through active participation in education and a wide range of activities. Our practice is guided by knowledge and experience of the power of the narrative and reframing, solution focused approaches and is responsive, consistent, and attuned to the child's needs.

The progress of Individual children is monitored monthly through the Restorative Parenting Recovery Index and through the use of additional normed psychological scales where appropriate. Detailed discussion of children's progress takes place at monthly consultations with a psychologist and additional input is provided on a flexible basis by Halliwell's clinical team, which includes Psychiatry and Clinical Psychology.

The Halliwell Homes Group manages 6 homes, 4 in the North West of England and 2 in the Midlands area with ambitions for more across the region in the future.

Key Performance Indicators

The company's adjusted EBITDA for the year was £1,030k (2021 - £525k) and 8 children made a successful transition from the programme having sufficiently recovered from childhood trauma whilst placed with Halliwell.

HALLIWELL HOMES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Principal risks and uncertainties

The Board of Directors expect the business to run at 90% total occupancy across North West and Midlands in the future given the large number of children in the looked after sector that require a specialist placement.

This will give us the ability to increase the re-investment capacity in the business to allow the board to develop further projects with its Local Authority partners that sees positive outcomes for the children that they trust into our care.

The primary risk for the business in the upcoming period is the ongoing significant staffing shortage within the sector. In order achieve the expected outcomes for the children the programme, a stable team of highly qualified and experienced practitioners is required. The sector has historically and continues to be a sector with high turnover due to the relatively low wages, requirement to work unsociable hours and the impact of working with children suffering complex trauma who often exhibit very challenging behaviour.

The Halliwell Group have and will continue to invest significantly in the recruitment, development and retention of the practice team in order to ensure this risk is mitigated and our in-house clinical team at Halliwell provide an exhaustive and immersive ongoing programme of continuous professional development to the practitioners as well as clinical oversight and support. This has enabled us to achieve significant positive outcomes for the children in the looked after system previously and with continued focus and investment in the development of our practitioners, will enable us to do so in the future.

During the year a restructuring of the group inserted a new parent company Halliwell Care Holdings Limited, which in turn is owned 51% by Halliwell Employee Ownership Trust. This has had a positive effect on staff recruitment and retention with Halliwell achieving staffing capacity well above the average in sector which will support achieving high occupancy in the coming year. It will also will enable Halliwell to offer greater engagement opportunities for all employees in the improvement of the business going forward as well as greater benefits and rewards when the business performs well.

This structure allows Halliwell to most closely align the best interests of both the children in our care and the skilled and committed colleagues that work for us meaning the business is optimally placed to deliver on its social purpose and perform successfully financially.

All other risks are managed day to day in the normal course of business.

On behalf of the board



Mr M Hargreaves
Director

25 October 2023

HALLIWELL HOMES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The directors present their annual report and financial statements for the year ended 31 August 2022.

Principal activities

The principal activity of the company continued to be that of education, fostering and residential care.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £10. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr Andrew Constable	(Resigned 31 May 2022)
Ms Karen Mitchell-Mellor	(Resigned 31 May 2022)
Mr David Sheffield	(Appointed 31 May 2022)
Dr Fenella Quinn	(Appointed 31 May 2022)
Mr M Hargreaves	(Appointed 31 May 2022)
Mr Paul Bliss	

Auditor

Pursuant to section 487 of the Companies Act 2006 Geens Limited will continue in office as auditors.

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). 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 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 transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

HALLIWELL HOMES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

On behalf of the board



Mr M Hargreaves
Director

25 October 2023

HALLIWELL HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HALLIWELL HOMES LIMITED

Opinion

We have audited the financial statements of Halliwell Homes Limited (the 'company') for the year ended 31 August 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 company's affairs as at 31 August 2022 and of its 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company 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 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

HALLIWELL HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HALLIWELL HOMES LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 directors' responsibilities statement, 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 is 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 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 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

HALLIWELL HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HALLIWELL HOMES LIMITED

Use of our report

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.



Karen Staley FCA BSc (Hons)

Senior Statutory Auditor

For and on behalf of Geens Limited

25 October 2023

Chartered Accountants

Statutory Auditor

Graphic House
124 City Road
Stoke on Trent
ST4 2PH

HALLIWELL HOMES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	2021 £
Turnover	3	7,784,165	6,851,567
Cost of sales		(4,998,681)	(4,887,626)
Gross profit		2,785,484	1,963,941
Administrative expenses		(1,926,060)	(1,580,827)
Other operating income		-	12,533
Operating profit	4	859,424	395,647
Interest receivable and similar income		-	49
Interest payable and similar expenses	7	(228,406)	(336,744)
Fair value gains and losses on investment properties		-	6,090
Profit before taxation		631,018	65,042
Tax on profit	8	(105,132)	31,986
Profit for the financial year		525,886	97,028

The profit and loss account has been prepared on the basis that all operations are continuing operations.

HALLIWELL HOMES LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		3,088,151		3,037,667
Investments	11		-		9
			<u>3,088,151</u>		<u>3,037,676</u>
Current assets					
Debtors	12	3,784,990		4,874,036	
Cash at bank and in hand		954,652		406,766	
		<u>4,739,642</u>		<u>5,280,802</u>	
Creditors: amounts falling due within one year	13	(5,390,369)		(2,077,424)	
Net current (liabilities)/assets			<u>(650,727)</u>		<u>3,203,378</u>
Total assets less current liabilities			2,437,424		6,241,054
Creditors: amounts falling due after more than one year	14		-		(4,329,506)
Net assets			<u>2,437,424</u>		<u>1,911,548</u>
Capital and reserves					
Called up share capital	18		170		170
Revaluation reserve			195,110		195,110
Capital redemption reserve			30		30
Profit and loss reserves			<u>2,242,114</u>		<u>1,716,238</u>
Total equity			<u>2,437,424</u>		<u>1,911,548</u>

The financial statements were approved by the board of directors and authorised for issue on 25 October 2023 and are signed on its behalf by:



Mr M Hargreaves
Director

Company Registration No. 03681826

HALLIWELL HOMES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 September 2020		170	189,020	30	1,625,300	1,814,520
Year ended 31 August 2021:						
Profit and total comprehensive income for the year		-	-	-	97,028	97,028
Other movements		-	6,090	-	(6,090)	-
Balance at 31 August 2021		170	195,110	30	1,716,238	1,911,548
Year ended 31 August 2022:						
Profit and total comprehensive income for the year		-	-	-	525,886	525,886
Dividends		-	-	-	(10)	(10)
Balance at 31 August 2022		170	195,110	30	2,242,114	2,437,424

HALLIWELL HOMES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	24		4,690,803		(751,469)
Interest paid			(228,406)		(336,744)
Income taxes paid			-		(80,001)
Net cash inflow/(outflow) from operating activities			4,462,397		(1,168,214)
Investing activities					
Purchase of tangible fixed assets		(221,976)		(88,390)	
Proceeds from disposal of tangible fixed assets		356		220	
Purchase of subsidiaries		9		-	
Loans made to directors		(418,099)		(834,371)	
Repayment of loans		1,252,470		-	
Interest received		-		49	
Net cash generated from/(used in) investing activities			612,760		(922,492)
Financing activities					
Proceeds from new bank loans		-		5,070,000	
Repayment of bank loans		(4,511,261)		(2,982,045)	
Payment of finance leases obligations		(16,000)		(16,000)	
Dividends paid		(10)		-	
Net cash (used in)/generated from financing activities			(4,527,271)		2,071,955
Net increase/(decrease) in cash and cash equivalents			547,886		(18,751)
Cash and cash equivalents at beginning of year			406,766		425,517
Cash and cash equivalents at end of year			954,652		406,766

HALLIWELL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Company information

Halliwell Homes Limited is a private company limited by shares incorporated in England and Wales. The registered office is Pearce House, 80 Cawdor Street, Eccles, Manchester, M30 0QF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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, modified to include the revaluation of freehold properties at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business.

The company recognises revenue when the amount of revenue can be measured reliably and when it is probable future economic benefits will flow to the entity.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	33.3% on straight line
-------------------	------------------------

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% straight line
Leasehold improvements	Over the period of the lease
Equipment	25% Reducing Balance
Motor vehicles	25% Reducing Balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

HALLIWELL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.6 Fixed asset investments

Interests in subsidiaries, are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

HALLIWELL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Classification of financial liabilities

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.

Basic financial liabilities

Basic financial liabilities, including 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

HALLIWELL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the term of the relevant lease.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	7,784,165	6,851,567
	<u> </u>	<u> </u>
	2022 £	2021 £
Other revenue		
Interest income	-	49
Grants received	-	12,533
	<u> </u>	<u> </u>

HALLIWELL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(12,533)
Fees payable to the company's auditor for the audit of the company's financial statements	10,750	9,600
Depreciation of owned tangible fixed assets	169,639	76,287
Loss on disposal of tangible fixed assets	1,497	11,089
Operating lease charges	34,267	31,312
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Directors	2	2
Senior management team	3	4
Teaching, care and administration	136	150
Total	<u>141</u>	<u>156</u>

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	4,639,276	4,110,260
Social security costs	442,575	369,131
Pension costs	42,035	81,636
	<u>5,123,886</u>	<u>4,561,027</u>

6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	127,870	25,228
Company pension contributions to defined contribution schemes	1,096	-
	<u>128,966</u>	<u>25,228</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2021 - 0).

HALLIWELL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

7 Interest payable and similar expenses

	2022 £	2021 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	226,444	317,935
Other interest on financial liabilities	-	12,847
	<u>226,444</u>	<u>330,782</u>
Other finance costs:		
Interest on finance leases and hire purchase contracts	1,962	1,962
Other interest	-	4,000
	<u>228,406</u>	<u>336,744</u>

8 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	105,132	2,500
	<u>105,132</u>	<u>2,500</u>
Deferred tax		
Origination and reversal of timing differences	-	(34,486)
	<u>-</u>	<u>(34,486)</u>
Total tax charge/(credit)	<u>105,132</u>	<u>(31,986)</u>

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	<u>631,018</u>	<u>65,042</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	119,893	12,358
Tax effect of expenses that are not deductible in determining taxable profit	410	11,460
Group relief	-	(25,422)
Permanent capital allowances in excess of depreciation	(10,354)	(939)
Depreciation on assets not qualifying for tax allowances	13,530	2,317
Deferred tax adjustments in respect of prior years	(18,347)	(31,760)
Taxation charge/(credit) for the year	<u>105,132</u>	<u>(31,986)</u>

HALLIWELL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

9 Intangible fixed assets

	Development costs £
Cost	
At 1 September 2021 and 31 August 2022	93,611
Amortisation and impairment	
At 1 September 2021 and 31 August 2022	93,611
Carrying amount	
At 31 August 2022	-
At 31 August 2021	-

10 Tangible fixed assets

	Land and buildings £	Leasehold improvements £	Equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2021	2,820,101	33,890	318,389	164,421	3,336,801
Additions	11,225	8,964	181,552	20,235	221,976
Disposals	-	-	-	(6,246)	(6,246)
At 31 August 2022	2,831,326	42,854	499,941	178,410	3,552,531
Depreciation and impairment					
At 1 September 2021	-	11,297	187,365	100,472	299,134
Depreciation charged in the year	56,627	14,285	78,144	20,583	169,639
Eliminated in respect of disposals	-	-	-	(4,393)	(4,393)
At 31 August 2022	56,627	25,582	265,509	116,662	464,380
Carrying amount					
At 31 August 2022	2,774,699	17,272	234,432	61,748	3,088,151
At 31 August 2021	2,820,101	22,593	131,024	63,949	3,037,667

Land and buildings with a carrying amount of £ 2,774,699 (2021 - £2,820,101) have been pledged to secure borrowings of group companies. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Land and buildings were revalued at 31st August 2021 by Christie & Co, who are independent valuers, not connected with the company, on the basis of market value. The valuation was undertaken in accordance with the Royal Institute of Chartered Surveyors Valuation Standards and was based on recent market transactions on arms length terms for similar properties.

If land and buildings had been measured using the cost model the carrying amounts would have been as follows:

HALLIWELL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

10 Tangible fixed assets (Continued)

	Land & buildings	
	2022	2021
	£	£
Cost	2,636,216	2,624,991
Accumulated depreciation	(329,547)	(276,823)
Carrying value	<u>2,306,669</u>	<u>2,348,168</u>

11 Fixed asset investments

	Notes	2022	2021
		£	£
Investments in subsidiaries		-	9

Movements in fixed asset investments

	Shares in subsidiaries
	£
Cost or valuation	
At 1 September 2021	9
Additions	1
Disposals	(10)
At 31 August 2022	-
Carrying amount	
At 31 August 2022	-
At 31 August 2021	9

On 31st May 2022 the company disposed of its investment in Halliwell Homes (Midlands Division) Limited to immediate parent company Halliwell Care Holding Limited.

12 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	1,580,198	1,672,634
Amounts owed by group undertakings	2,141,777	2,317,636
Other debtors	-	834,371
Prepayments and accrued income	63,015	49,395
	<u>3,784,990</u>	<u>4,874,036</u>

HALLIWELL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

13 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	15	45,886	240,974
Obligations under finance leases	16	13,333	16,000
Trade creditors		330,133	227,375
Amounts owed to group undertakings		3,299,230	-
Corporation tax		84,707	(20,425)
Other taxation and social security		124,981	153,618
Other creditors		1,134,086	1,139,209
Accruals and deferred income		358,013	320,673
		<u>5,390,369</u>	<u>2,077,424</u>

14 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	15	-	4,316,173
Obligations under finance leases	16	-	13,333
		<u>-</u>	<u>4,329,506</u>

Obligations under finance leases are secured on the assets to which they relate.

Amounts included above which fall due after five years are as follows:

Payable by instalments	-	3,372,475
	<u>-</u>	<u>3,372,475</u>

15 Loans and overdrafts

	2022 £	2021 £
Bank loans	45,886	4,557,147
	<u>45,886</u>	<u>240,974</u>
Payable within one year	45,886	240,974
Payable after one year	-	4,316,173
	<u>-</u>	<u>4,316,173</u>

As at 31st August 2022 the company had a Natwest Bounce Back loan of £45,886. This loan was repaid in full shortly after the year end.

During the year ended 31st August 2022 the long term loans owed to Shawbrook bank were repaid in full.

HALLIWELL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

16 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	13,333	16,000
In two to five years	-	13,333
	<u>13,333</u>	<u>29,333</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery.

17 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	42,035	81,636
	<u>42,035</u>	<u>81,636</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary of £1 each	170	170	170	170
	<u>170</u>	<u>170</u>	<u>170</u>	<u>170</u>

19 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	168,096	62,852
Between two and five years	479,181	261,883
	<u>647,277</u>	<u>324,735</u>

20 Other financial commitments

The company has charges over its assets in the form of debentures, as security for the bank loans of £10 million held by parent company Halliwell Care Holding Limited.

HALLIWELL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

21 Related party transactions

The group has taken advantage of the exemption provided in Financial Reporting Standards 102. Disclosures need not be given of transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member.

22 Directors' transactions

The amounts owed to directors of the company at the year end was £nil (2021 - £834,371).

23 Ultimate controlling party

At the year end and at the date of approving these financial statements the immediate parent company is Halliwell Care Holding Limited, a company registered in England and the ultimate controlling party is Halliwell Homes EOT Trust which owns 51% of the share capital.

Before 31st May 2022 the ultimate controlling parties were Karen Mitchell-Mellor and Andrew Constable, who were the majority shareholders of Halliwell Homes Limited.

24 Cash generated from/(absorbed by) operations

	2022 £	2021 £
Profit for the year after tax	525,886	97,028
Adjustments for:		
Taxation charged/(credited)	105,132	(31,986)
Finance costs	228,406	336,744
Investment income	-	(49)
Loss on disposal of tangible fixed assets	1,497	11,089
Fair value gain on investment properties	-	(6,090)
Depreciation and impairment of tangible fixed assets	169,639	76,287
Movements in working capital:		
Decrease/(increase) in debtors	254,675	(1,510,853)
Increase in creditors	3,405,568	276,361
Cash generated from/(absorbed by) operations	4,690,803	(751,469)

25 Analysis of changes in net funds/(debt)

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash at bank and in hand	406,766	547,886	954,652
Borrowings excluding overdrafts	(4,557,147)	4,511,261	(45,886)
Obligations under finance leases	(29,333)	16,000	(13,333)
	(4,179,714)	5,075,147	895,433

HALLIWELL HOMES LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2022

HALLIWELL HOMES LIMITED

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

	2022		2021	
	£	£	£	£
Turnover				
Sales of services		7,784,165		6,851,567
Cost of sales				
<i>Purchases and other direct costs</i>				
Food	337,868		310,224	
Education	49,242		34,438	
Wages and salaries	4,185,611		4,029,985	
Social security costs	426,542		367,984	
Temporary staff costs	325,795		63,359	
Staff pension costs defined contribution	40,939		81,636	
Management charge	(367,316)		-	
	<hr/>		<hr/>	
Total purchases and other direct costs	4,998,681		4,887,626	
	<hr/>		<hr/>	
Total cost of sales		(4,998,681)		(4,887,626)
		<hr/>		<hr/>
Gross profit	35.78%	2,785,484	28.66%	1,963,941
Other operating income				
Government grants receivable and released		-		12,533

HALLIWELL HOMES LIMITED

DETAILED PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

	2022		2021	
	£	£	£	£
Administrative expenses				
Staff training	108,800		91,992	
Directors' remuneration	127,870		16,916	
Directors' social security costs	16,033		1,147	
Directors' pension costs - defined contribution scheme	1,096		-	
Management charge	(434,845)		-	
Rent re operating leases	34,267		31,312	
Rates and water	32,953		42,220	
Cleaning	33,568		24,566	
Power, light and heat	90,404		58,817	
Repairs and maintenance	205,784		221,602	
Insurance	216,686		212,163	
Computer running costs	41,032		28,148	
Motor running expenses	131,359		116,096	
Travelling expenses	8,839		2,812	
Head office canteen	9,138		8,228	
Legal and professional fees	670,454		403,636	
Accountancy	9,250		9,109	
Audit fees	10,750		9,600	
Bank charges	6,199		4,856	
Bad and doubtful debts	134,599		-	
Printing, post and stationery	207,658		134,496	
Advertising and marketing	45,567		29,014	
Telecommunications	43,353		46,721	
Entertaining	2,156		-	
Sundry expenses	1,954		-	
Depreciation	169,639		76,287	
Profit or loss on sale of tangible assets (non exceptional)	1,497		11,089	
		(1,926,060)		(1,580,827)
Operating profit		859,424		395,647
Interest receivable and similar income				
Bank interest received	-		49	
		-		49
Interest payable and similar expenses				
Bank interest on loans and overdrafts	226,444		317,935	
Hire purchase interest payable	1,962		1,962	
Interest payable - directors' loans	-		4,000	
Transaction costs on loans	-		12,847	
		(228,406)		(336,744)

HALLIWELL HOMES LIMITED

DETAILED PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

	2022		2021	
	£	£	£	£
Other gains and losses				
Fair value gains and losses on investment properties		-		6,090
Profit before taxation	8.11%	<u>631,018</u>	0.95%	<u>65,042</u>
