

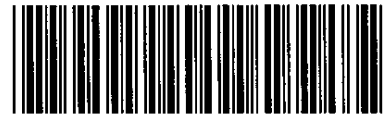
Care Management Group (Cymru) Limited

Annual Report and Financial Statements

For the year ended 29 February 2020

Registered number: 03761455

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Care Management Group (Cymru) Limited

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Care Management Group (Cymru) Limited

Officers and professional advisers

Directors

G J Fitton
P Kinsey (Appointed 31 January 2020)
D Spruzen (Resigned 30 November 2019)
E Pearson (Appointed 15 January 2020)
C Breen (Appointed 6 January 2020)

Secretary

G J Fitton

Registered office

First Floor
Q4 The Square
Randalls Way
Leatherhead
Surrey
KT22 7TW

Banker

NatWest
PO Box 3415
Bishopsgate
London
EC2P 2AP

Care Management Group (Cymru) Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 29 February 2020.

The Directors' report has been prepared in accordance with the provisions applicable to Companies entitled to the small companies exemption. Accordingly, the directors have elected to take advantage of the exemption from preparing a Strategic report.

Principal activity

The Company provides outreach care and supported living services for people with learning disabilities and complex needs including mental health needs.

Results, dividends and future developments

The trading results for the year and the Company's financial position at the end of the year are shown in the attached financial statements. The Company did not pay a dividend during the year (2019: £nil).

No change to the Company's operations is expected in the foreseeable future and no post balance sheet events have occurred at the date of signing these accounts.

Going concern

Care Management Group (Cymru) Limited is part of the Galaxy Group, of which Galaxy Group Midco Limited is the parent Company. The directors have carefully considered the going concern basis underlying the preparation of the financial statements.

Recent trading activity across the Company has been in line with expectations. Referral levels have been maintained during the year and the quality of the services continued to improve, thus sustaining the Company's high occupancy levels. The Company is cash generative and funds have been continued to be reinvested to increase capacity levels and drive growth.

The Covid-19 pandemic is an unprecedented situation which will impact operations in the short-term but the Company is continuing to deliver core care services and is not expecting a significant reduction in revenue. Budget stress testing indicates the business can operate within funding covenants for the foreseeable future.

Brexit is a significant political event for the UK, and the economic consequences of Brexit are likely to be wide ranging, however because of nature of business it would not materially impact the Galaxy Group or any of its subsidiaries.

The Company is party to cross guarantees for the bank debts due by all companies within the Galaxy Group. The directors have a reasonable expectation that the Galaxy Group have adequate resources to continue in operational existence for the foreseeable future.

Management have prepared detailed forecasts for the Galaxy Group for the period to February 2022. 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 directors believe that the Galaxy Group and the Company are well placed to manage its risks successfully despite the current economic conditions which create uncertainty.

Based on their forecast review and other factors described above, the directors have a reasonable expectation that the Company and the Galaxy Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the annual report and financial statements.

Directors

The directors who served the Company during the year and since the year end are set out on page 1.

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.

Care Management Group (Cymru) Limited

Directors' report

The possible economic and legislative changes arising as a result of the UK's repositioning of its relationship with the European Union is outside the Company's control. The directors continually monitor the economic and legislative position and believe they are well placed to address any changes as and when they might arise.

The Covid-19 pandemic is an unprecedented situation but it is important to recognise that, while the reduction in activity associated with Covid-19 could be sharp and large, it is likely to rebound sharply when social distancing measures are lifted.

The risks of the Company are managed as a Group and are fully disclosed within the Galaxy Group Bidco Limited consolidated accounts.

Reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12.

Approved by the Board of Directors and signed on behalf of the Board on 23 June 2020.



G J Fitton
Director

Registered office

First Floor
Q4 The Square
Randalls Way
Leatherhead
Surrey
KT22 7TW

Care Management Group (Cymru) Limited

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 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 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 the 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.

Care Management Group (Cymru) Limited

Statement of Income and Retained Earnings For the year ended 29 February 2020

	Notes	2020 £'000	2019 £'000
Turnover	2	1,194	1,234
Cost of sales		(778)	(771)
Gross profit		<u>416</u>	<u>463</u>
Operating expenses		(416)	(463)
Result before taxation	3	-	-
Taxation	5	-	-
Result for the year after taxation		<u>-</u>	<u>-</u>

There is no comprehensive income for the period other than the results for the year, the whole of which has been derived from continuing activities.

There are no recognised gains or losses for the current or preceding financial year other than as stated in the profit and loss account. Accordingly, no separate statement of comprehensive income has been presented.

The accompanying notes on pages 7 to 11 form part of the financial statements.

Care Management Group (Cymru) Limited

Balance sheet as at 29 February 2020

	Notes	2020 £'000	2019 £'000
Current assets			
Debtors	6	2,998	2,998
Net current assets		2,998	2,998
Total assets less current liabilities		2,998	2,998
Net assets		2,998	2,998
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account		2,998	2,998
Total shareholder's funds		2,998	2,998

The Directors:

(a) Confirm that the company was entitled to the exemption under section 479A of the companies act 2006 relating to subsidiary companies from the requirement to have its financial statements for the financial period ended 29 February 2020.

(b) Confirm that members have not required to obtain an audit of its financial statements for the financial year in accordance with section 476 of the Companies Act 2006; and

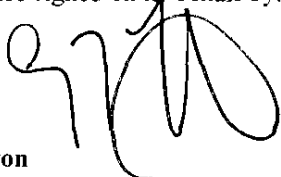
(c) Acknowledge their responsibilities for:

- Ensuring that company keeps adequate accounting records which comply with section 386 of the companies act 2006, and
- Preparing financial statements which give true and fair view of the state of affairs of the Company as at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of sections 393 and 394 of the Companies Act 2006, and which otherwise comply with the requirements of that Act relating to financial statements, so far as possible to the Company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements of Care Management Group (Cymru) Limited (registered number 03761455) were approved by the Board of Directors on 23 June 2020.

They were signed on its behalf by:



G J Fitton
Director

Care Management Group (Cymru) Limited

Notes to the financial statements For the year ended 29 February 2020

1. Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. The particular accounting policies adopted are described below. The accounting policies have been consistently applied in the current and preceding year.

a. General information and basis of accounting

Care Management Group (Cymru) Limited is a private 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. The nature of the Company's operations and its principal activities are set out in the Directors' Report on pages 2 to 3.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Care Management Group (Cymru) Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Care Management Group (Cymru) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Care Management Group (Cymru) Limited is consolidated in the financial statements of its parent, Galaxy Group Midco Limited, which may be obtained from the registered office shown on page 14. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

b. Going concern

The financial statements have been prepared using the going concern basis of accounting.

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 facilities agreements. Disclosures relating to the going concern assumption adopted by Galaxy Group Midco Limited are included in the accounts of that Company.

The directors have carefully considered the going concern basis underlying the preparation of the financial statements.

Recent trading activity has been in line with expectations. Referral levels have been maintained during the year and the quality of the services continued to improve which in turn lead to improved occupancy levels. This occupancy growth is expected to continue in the following year. The business is cash generative and funds have continued to be reinvested to increase capacity levels and drive growth.

The Covid-19 pandemic is an unprecedented situation which will impact operations in the short-term but the company is continuing to deliver core care services and is not expecting a significant reduction in revenue. Budget stress testing indicates the business can operate within funding covenants for the foreseeable future.

Brexit is a significant political event for the UK, and the economic consequences of Brexit are likely to be wide ranging, however because of nature of business it would not materially impact the Galaxy Group or any of its subsidiaries.

Management have prepared detailed forecasts for the Galaxy Group for the period to February 2022, which includes the impact of Covid-19 on the company's plans and future forecast. 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 directors believe that the Galaxy Group and the Company are well placed to manage its risks successfully despite the current economic conditions which create uncertainty.

Care Management Group (Cymru) Limited

Notes to the financial statements For the year ended 29 February 2020

1. Accounting policies (continued)

Based on their forecast review and other factors described above, the directors have a reasonable expectation that the Company and the Galaxy Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the annual report and financial statements.

c. 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.

d. Operating lease agreements

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

e. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse.

f. Financial instruments

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.

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.

Care Management Group (Cymru) Limited

Notes to the financial statements For the year ended 29 February 2020

1. Accounting policies (continued)

f. Financial instruments (continued)

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

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

g. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in this note, the directors are required to make judgements, 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.

Key source of estimation uncertainty

In applying the Company's accounting policies various transactions and balances are valued using estimates or assumptions. Should these estimates or assumptions prove incorrect, there may be an impact on the following year's financial statements. There are no sources of estimation uncertainty at the end of 2020 that has a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities during 2021.

Critical accounting judgements

In the course of preparing the financial statements, no judgements have been made in the process of applying the Company's accounting policies, other than those involving estimations, that have had a significant effect on the amounts recognised in the financial statements.

2. Turnover

The turnover and pre-tax profit, all of which arises in the United Kingdom, is attributable to the principal activity of the Company, being the provision of outreach care and supported living services for people with learning disabilities and complex needs including mental health needs.

3. Result before taxation

Auditor's remuneration of £nil (2019: £nil) is borne by the Company's parent Company, Care Management Group Limited, and was not recharged in the current or prior year.

4. Staff numbers and cost

Other than the directors, the Company had no employees (2019: none). The directors received remuneration paid by Care Management Group Limited in respect of their services to Group Companies. The portion that relates to the Company is £nil (2019: £nil).

The Company does not employ any staff directly. The Company pools members of staff from its parent, Care Management Group Limited as required. Accordingly, no related disclosures are made.

Care Management Group (Cymru) Limited

Notes to the financial statements For the year ended 29 February 2020

5. Taxation

There was no tax charge during the year (2019: £nil).

Factors affecting current tax for the year:

	2020 £'000	2019 £'000
Result before taxation	-	-
Tax on result at standard UK corporation tax rate of 19% (2019: 19%)	-	-
Effects of:		
Effects of group relief	-	(26)
Transfer pricing adjustment	-	26
Total tax for the year	-	-

In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current rate of 19% and will not reduce to 17% from 1 April 2020. A reduction in UK corporation tax from 19% to 17% (effective from 1 April 2020) was enacted on 6 September 2016.

There is no expiry date on timing differences, unused tax losses or tax credits.

6. Debtors

	2020 £'000	2019 £'000
Amounts falling due after more than one year:		
Amounts owed by Group undertakings	2,998	2,998

Amounts owed by Group undertakings are repayable in more than 5 years, are unsecured and are interest free. Amounts could be requested on demand at the discretion of the directors of the Company so are presented as current.

7. Called up share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100 Ordinary 'A' shares of £0.50 each	50	50
100 Ordinary 'B' shares of £0.50 each	50	50
	100	100

The Ordinary 'A' and 'B' shares rank pari passu in all respects except that the Ordinary 'A' shares confer entitlement to share in any profits or losses or any distribution resulting from sale, winding up or other transfer of the Care Homes division of the Company business proportionately to the 'A' shareholding. The 'A' shares confer no interest in relation to the Training division of the Company business. The 'B' shares confer no interest in the Care Homes division profits, losses, distributions, assets or liabilities, but do confer the same rights relating to the Training division of the Company business as the 'A' shares do in respect of the Care Homes division.

Care Management Group (Cymru) Limited

Notes to the financial statements

For the year ended 29 February 2020

8. 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.

No loans are held or have been held at any time during the year between the Company and a director.

The key management personnel of the Company are also the key management personnel of the Group and other group companies. Management do not believe it is possible to assign these costs to each individual Company. Disclosure of key management personnel costs are disclosed in the Consolidated financial statements of Galaxy Group Bidco Limited.

9. 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 29 February 2020 amounted to £241.2m (2019: £230.1m). The Company's assets are securitised against the loan held.

10. Ultimate parent Company and controlling party

The Company is a subsidiary undertaking of Galaxy Group Bidco Limited and the ultimate Parent Company was AMP Capital Investors (European Infrastructure No 5) S.à r.l. incorporated in Luxembourg. The Company is held by funds managed by AMP Capital Investments (UK) Limited which was incorporated in the UK.

The smallest and largest Group into which the results of CMG (Cymru) Limited are consolidated is Galaxy Group Bidco Limited and Galaxy Group Midco Limited respectively. The consolidated accounts of these companies may be obtained from the Companies registered address at 1st Floor, Q4 The Square, Randalls Way, Leatherhead, KT22 7TW and 3rd Floor 11-12 St. James's Square London SW1Y 4LB respectively.

11. Subsequent events

The Covid-19 pandemic is an unprecedented situation which will impact operations in the short-term but the company is continuing to deliver core care services and is not expecting a significant reduction in revenue. Budget stress testing indicates the business can operate within funding covenants for the foreseeable future. There were no other subsequent events after the balance sheet date that would materially impact the financial statements.