

Registered number: 04954523

BLACKWELLS (HEREFORD) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



BLACKWELLS (HEREFORD) LIMITED

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BLACKWELLS (HEREFORD) LIMITED

COMPANY INFORMATION

Directors	M Ramsey V Cooper
Registered Number	04954523
Registered Office	Ground Floor 2 Parklands Rubery Birmingham B45 9PZ
Independent Auditor	KPMG LLP Statutory Auditor One Snowhill Snow Hill Queensway Birmingham B4 6GH

BLACKWELLS (HEREFORD) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Directors present the Strategic Report of Blackwells (Hereford) Limited (the “Company”) for the year ended 31 March 2021.

BUSINESS REVIEW

On 27th February 2020, the Company was acquired by Accomplish Group Bidco Limited. On 4th May 2020, a resolution was made to change the accounting year-end date to 31 March 2020 to align it with the Accomplish Group Holdco Limited (the “Group”), the parent of the smallest and largest group in which the Company is a member. This set of financial statements is for the year to 31 March 2021. The prior year is for a one month period to 31 March 2020.

The Company operates one of a group of residential care services, which together form the Accomplish Group Holdco Limited Group. The Directors manage the various businesses of Accomplish Group Holdco Limited Group on a Group, rather than an individual company basis. As such, a separate business review of the Company has not been prepared, but a Group review can be found in the Strategic Report contained in the Annual Report of Accomplish Group Holdco Limited. Neither the Strategic Report nor the Annual Report of Accomplish Group Holdco Limited forms part of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks and uncertainties of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Accomplish Group Holdco Limited, which include those of the Company, are discussed in the Strategic Report contained in the Annual Report of Accomplish Group Holdco Limited. Neither the Strategic Report nor the Annual Report of Accomplish Group Holdco Limited forms part of this report.

The Group has considered the potential impact of the pandemic and continues to monitor this on a frequent basis. The Group’s management convened daily initially and now continues to meet twice weekly to ensure that the Group is adhering to the latest Government guidance and manage any consequences effectively, including monitoring of known and suspected cases. Communication is issued to the wider business when necessary to ensure all staff and service users adopt the latest information and guidance. The UK Government’s support through additional funding streams and the controls implemented throughout the pandemic have meant that the Group has not experienced a significant impact. These funding streams are in place to cover the additional costs incurred and ensure the well-being of the Group’s service users and employees. The COVID-19 pandemic has not changed our strategic aim to provide excellent care to those within our services.

FINANCIAL KEY PERFORMANCE INDICATORS

The Directors of Accomplish Group Holdco Limited manage the Group’s operations on a Group-wide basis.

For this reason, the Company’s Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Blackwells (Hereford) Limited.

The development, performance and position of Accomplish Group Holdco Limited, which includes the Company, are discussed in the Strategic Report contained in the Annual Report of Accomplish Group Holdco Limited. Neither the Strategic Report nor the Annual Report of Accomplish Group Holdco Limited forms part of this report.

BLACKWELLS (HEREFORD) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021


ENVIRONMENT AND SUSTAINABILITY

The Directors of Accomplish Group Holdco Limited manage the Group's operations on a Group-wide basis. As such, a separate environment and sustainability review of the Company has not been prepared, but a Group review can be found in the Strategic Report contained in the Annual Report of Accomplish Group Holdco Limited, which includes information on energy use. Neither the Strategic Report nor the Annual Report of Accomplish Group Holdco Limited form part of this report.

STAKEHOLDER ENGAGEMENT AND SECTION 172 STATEMENT

The Directors of Accomplish Group Holdco Limited manage the Group's operations on a Group-wide basis. As such, a separate stakeholder engagement and section 172 statement for the Company has not been prepared, but a Group statement can be found in the Strategic Report contained in the Annual Report of Accomplish Group Holdco Limited. Neither the Strategic Report nor the Annual Report of Accomplish Group Holdco Limited form part of this report.

The report was approved by the board on 17th December 2021 and signed on its behalf by:



V Cooper
Director

BLACKWELLS (HEREFORD) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Directors present their report and the audited financial statements of Blackwells (Hereford) Limited (the "Company") for the year ended 31 March 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the provision of care and support to people with complex needs and challenging behaviour in residential services.

RESULTS AND DIVIDENDS

The profit for the financial year was £376,116 (one month period ended 31 March 2020: £44,920).

The Directors do not recommend the payment of a dividend (one month period ended 31 March 2020: £Nil).

DIRECTORS

The Directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

M Ramsey
V Cooper

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company purchased and maintained throughout the financial year and up to the date of approval of the financial statements, Directors' and Officers' liability insurance in respect of itself and its Directors.

FUTURE DEVELOPMENT

The development, performance and position of Accomplish Group Holdco Limited, which includes the Company, are discussed in the Strategic Report contained in the Annual Report of Accomplish Group Holdco Limited. Neither the Strategic Report nor the Annual Report of Accomplish Group Holdco Limited forms part of this report.

FINANCIAL RISK MANAGEMENT

The Company is not exposed to any significant risk arising from the use of financial instruments.

GOING CONCERN

The Directors have considered the use of the going concern basis in the preparation of the financial statements. The Group in which the Company is a member is financed by a combination of shareholder and other loans.

BLACKWELLS (HEREFORD) LIMITED

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

GOING CONCERN (CONTINUED)

The Group is financed at 31 March 2021 by a combination of facilities including external bank debt totalling £99.4m repayable at the end of its term in November 2025, a secured ground rent lease of £30.0m with an expiry date of November 2168 and shareholder loan notes of £75.8m repayable in June 2022. The shareholders are in the process of restructuring the loan notes which are due for repayment in June 2022, and have provided written confirmation to the Group of their intention to continue to support the Group by replacing the loan notes with similar but later maturity instruments. 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.

The Directors' assessment of the Group's ability to continue as a going concern is based on a consideration of cash flow forecasts, the Group's loan covenant requirements and whether the Group will generate sufficient cash to pay its liabilities as they fall due, including financing cash flows. These assessments consider the anticipated effects of COVID-19, and have been completed for the foreseeable future including at least 12 months from the date of approval of these financial statements.

These forecasts show that at the date of signing these accounts, the Group has adequate financial resources to enable the Group to continue to operate for the foreseeable future and meet the Group's loan covenant requirements. The Group therefore has sufficient cash to meet its needs and the Directors have consequently continued to adopt the going concern basis in preparing the financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as that Director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware; and
- that 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 auditors are aware of that information.

INDEPENDENT AUDITORS

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board on 17th December 2021 and signed on its behalf by:



V Cooper
Director

BLACKWELLS (HEREFORD) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

The Directors are responsible for preparing the Strategic Report, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKWELLS (HEREFORD) LIMITED

Opinion

We have audited the financial statements of Blackwells (Hereford) Limited ("the company") for the year ended 31 March 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of Company's profit 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.

Fraud and breaches of laws 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 and management as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board meeting minutes.
- Considering remuneration incentive schemes and performance targets for management/ directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKWELLS (HEREFORD) LIMITED (CONTINUED)

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 profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, and the risk of fraudulent revenue recognition, in particular the risk that particular revenue is recorded in the wrong period, and the risk of bias in accounting estimates and judgements such as fixed assets impairment.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Company-wide fraud risk management controls. We also performed procedures including:

- Assessing when the revenue was recognized, particularly focusing on revenue recognized in the days before and after year end, and whether it was recognized on the correct year;
- Agreeing a sample of accrued and deferred income with the support documentation and the period recognize at year end;
- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts; and
- Assessing significant accounting estimates for bias.

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, 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.

Firstly, 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, 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.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment law, Health and Social Care Act 2008, GDPR, recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKWELLS (HEREFORD) 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.

Strategic report and directors' report

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

Our responsibility is to read the strategic report and 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have 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, 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, 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

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKWELLS (HEREFORD) LIMITED (CONTINUED)

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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.



Xavier Timmermans (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
B4 6GH
Birmingham
United Kingdom

Date: 20 December 2021

BLACKWELLS (HEREFORD) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

		Year ended 31 March 2021	One month period ended 31 March 2020
	Note	£	£
Turnover	5	748,848	60,685
Cost of sales		(299,253)	(18,503)
Gross profit		449,595	42,182
Administrative expenses		(82,470)	(5,120)
Other income	8	9,396	-
OPERATING PROFIT	9	376,521	37,062
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		376,521	37,062
Tax on profit on ordinary activities	10	(405)	7,858
PROFIT FOR THE FINANCIAL YEAR		376,116	44,920
Total comprehensive income for the financial year		376,116	44,920
Total comprehensive income for the financial year attributable to:			
Owners of the parent Company		376,116	44,920
		376,116	44,920

The notes on pages 14 to 25 form part of these financial statements.

BLACKWELLS (HEREFORD) LIMITED
REGISTERED NUMBER: 04954523

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	11	519,772	520,021
CURRENT ASSETS			
Debtors	12	563,534	564,217
Cash at bank and in hand		350,091	70,917
		913,625	635,134
CREDITORS: amounts falling due within one year	13	(26,332)	(124,523)
NET CURRENT ASSETS		887,293	510,611
TOTAL ASSETS LESS CURRENT LIABILITIES		1,407,065	1,030,632
Deferred Tax Liabilities	14	(745)	(428)
NET ASSETS		1,406,320	1,030,204
CAPITAL AND RESERVES			
Called up share capital	15	1,177	1,177
Profit and loss account	17	1,405,143	1,029,027
TOTAL SHAREHOLDERS' FUNDS		1,406,320	1,030,204

The financial statements on pages 11 to 25 were approved and authorised for issue by the board and were signed on its behalf on 17th December 2021 by:



V Cooper
Director

The notes on pages 14 to 25 form part of these financial statements.

BLACKWELLS (HEREFORD) LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 1 April 2020	1,177	1,029,027	1,030,204
Comprehensive income for the financial year			
Profit for the financial year	-	376,116	376,116
At 31 March 2021	<u>1,177</u>	<u>1,405,143</u>	<u>1,406,320</u>

FOR THE PERIOD ENDED 31 MARCH 2020

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 28 February 2020	1,177	984,107	985,284
Comprehensive income for the financial period			
Profit for the financial period	-	44,920	44,920
At 31 March 2020	<u>1,177</u>	<u>1,029,027</u>	<u>1,030,204</u>

The notes on pages 14 to 25 form part of these financial statements.

BLACKWELLS (HEREFORD) LIMITED

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

1. GENERAL INFORMATION

Blackwells (Hereford) Limited ("the Company") provides care and support to people with complex needs and challenging behaviour in residential services.

The Company is a private company limited by shares and is incorporated in the United Kingdom. The Company's registered number is 04954523. The address of its registered office is: Ground Floor, 2 Parklands, Rubery, Birmingham, B45 9PZ.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

3. ACCOUNTING POLICIES

The following principal accounting policies have been applied consistently throughout the financial year:

3.1 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 4).

The presentation currency of these financial statements is sterling.

3.2 Financial reporting standard 102 – reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing the financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

BLACKWELLS (HEREFORD) LIMITED

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

3.2 Financial reporting standard 102 – reduced disclosure exemptions (continued)

This information is included in the consolidated financial statements of Accomplish Group Holdco Limited as at 31 March 2021 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

3.3 Going concern

The Directors have prepared the Company's financial statements on a going concern basis.

The Company's operations were profitable in the year ended 31 March 2021 and are expected to continue to generate positive cash flows the next 12 months from date of approval of these financial statements. The Company's cash flows and funding are managed through central treasury arrangements within the Accomplish Group Holdco Limited group (the Group), which operates a portfolio of similar specialist care operations. As a result, whilst the Company is not dependent on additional group financial support, the Directors have assessed the Company's going concern by evaluating the financial position of the Group.

The Group is financed at 31 March 2021 by a combination of facilities including external bank debt totaling £99.4m repayable at the end of its term in November 2025, a secured ground rent lease of £30.0m with an expiry date of November 2168 and shareholder loan notes of £75.8m repayable in June 2022. The shareholders are in the process of restructuring the loan notes which are due for repayment in June 2022, and have provided written confirmation to the Group of their intention to continue to support the Group by replacing the loan notes with similar but later maturity instruments. 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.

At the date of signing these financial statements, the COVID-19 outbreak continues to be a global pandemic. The UK Government's support through additional funding streams has meant that the Group has not experienced a significant impact. These funding streams are in place to cover the additional costs incurred and ensure the well-being of the Group's service users and employees.

The Directors' assessment of the Group's ability to continue as a going concern is based on a consideration of cash flow forecasts, the Group's loan covenant requirements and whether the Group will generate sufficient cash to pay its liabilities as they fall due, including financing cash flows. Loan covenants principally relate to leverage ratios. The Directors' assessment considers the experienced and anticipated effects of COVID-19. The Directors consider that COVID-19 will not have a significant impact on the performance of the Group, however the reviews completed include a range of downside sensitivities to EBITDA (which consists of revenue and costs) to ascertain the headroom within the Group's loan covenant requirements. These forecasts have been completed for at least 12 months from the date of approval of these financial statements and show that the Group has adequate

BLACKWELLS (HEREFORD) LIMITED

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

3.3 Going concern (continued)

financial resources to enable the Group to continue to operate for the forecast period and meet its loan covenant requirements.

These forecasts show that at the date of signing these accounts, the Group has adequate financial resources to enable the Group and the Company to continue to operate for the foreseeable future and meet the Group's loan covenant requirements. The Group and Company therefore has sufficient cash to meet its needs and the Directors have consequently continued to adopt the going concern basis in preparing the Company's financial statements.

3.4 Debtors

Short terms 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.

3.5 Creditors

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

3.6 Turnover

Turnover comprises the fair value of fee income receivable for the year in respect of care that has been provided in the relevant period. Turnover invoiced in advance is held in deferred income until the service has been provided whilst revenue billed in arrears is included in accrued income.

3.7 Tangible fixed assets

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

The Company adds to the carrying amount of an item of tangible assets the cost of replacement parts when incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Income Statement during the period in which they are incurred.

BLACKWELLS (HEREFORD) LIMITED

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

3.7 Tangible fixed assets (continued)

Depreciation is charged to the Income Statement at rates calculate to write off the cost of each asset to its residual value over its estimated useful life, on the following basis:

Freehold land	- Nil
Freehold property	- 50 years straight line
Fixtures and fittings	- 5 years straight line
Motor vehicles	- 4 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within operating profit/loss in the Income Statement.

3.8 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 change 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.

3.9 Financial instruments

The Company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3.9 Financial instruments (continued)

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 payables or receivables, 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 financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

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.

3.10 Government grants

Government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred. Amounts recognised in the profit and loss are presented under the heading "Other income".

3.11 Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

BLACKWELLS (HEREFORD) LIMITED

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

4. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities, which are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis with revisions to accounting estimates being recognised in the period in which the estimate is revised, where that revision affects only the current or future accounting periods.

The following are the critical judgements and key sources of estimation uncertainty that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the financial statements:

Carrying value of property plant and equipment

Determining whether property plant and equipment is impaired requires an estimation of the value in use and, if required, estimation of the fair value less costs of disposal, or the best alternative use value. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the property plant and equipment and the application of a discount rate to calculate the present value.

5. TURNOVER

The whole of the turnover is attributable to the Company's principal activity being the provision of care and support to people with complex needs and challenging behaviour in residential services. All turnover arose within the United Kingdom.

6. AUDITOR'S REMUNERATION

	Year ended 31 March 2021 £	Period ended 31 March 2020 £
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	3,000	3,000
Fees payable to the Company's auditors in respect of: - Accountancy and taxation compliance services	<u>1,000</u>	<u>1,000</u>

Audit and taxation fees for the year ended 31 March 2021 have been paid by a fellow subsidiary company undertaking, Accomplish Group Limited.

BLACKWELLS (HEREFORD) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****7. STAFF COSTS AND DIRECTORS' EMOLUMENTS**

Staff costs were as follows:

	Year ended 31 March 2021 £	Period ended 31 March 2020 £
Wages and salaries	275,968	17,068
Social security costs	15,666	975
Cost of defined contribution pension	6,552	460
	<u>298,186</u>	<u>18,503</u>

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

	Year ended 31 March 2021 Number	Period ended 31 March 2020 Number
Employees	<u>19</u>	<u>18</u>

The Directors were remunerated by a fellow Group company, Accomplish Group Limited, for their qualifying services to the Group as a whole. The remuneration for qualifying services performed in relation to Blackwells (Hereford) Limited amounted to:

	Year ended 31 March 2021 £	Period ended 31 March 2020 £
Aggregate Directors' emoluments	2,645	329
Company contributions to defined contribution pension schemes	14	9
	<u>2,659</u>	<u>338</u>

8. OTHER INCOME

	Year ended 31 March 2021 £	Period ended 31 March 2020 £
Other income	<u>9,396</u>	<u>-</u>

Other income represents amounts received in respect of COVID-19 including government grants, HMRC furlough receipts and temporary fee uplifts credited to the profit and loss account in periods in which the related costs are incurred, with the related costs included within cost of sales and administrative expenses. Amounts received are assessed in conjunction with their specific criteria and excess funds repaid where applicable.

BLACKWELLS (HEREFORD) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****9. OPERATING PROFIT**

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

	Year ended 31 March 2021 £	Period ended 31 March 2020 £
Depreciation of tangible fixed assets:		
- Owned by the Company	20,179	1,181
Profit on sales of fixed assets	(50)	-

10. TAX ON PROFIT

	Year ended 31 March 2021 £	Period ended 31 March 2020 £
Deferred tax		
Origination and reversal of timing differences	327	(136)
Adjustments in respect of prior years	(10)	(1,186)
Effect of UK tax rate changes	-	59
Total deferred tax	317	(1,263)
Current tax		
Current tax on income for the year	-	-
Adjustments in respect of prior years	88	(6,595)
Total current tax	88	(6,595)
Taxation charge/(credit) on profit	405	(7,858)

BLACKWELLS (HEREFORD) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****10. TAX ON PROFIT (CONTINUED)****Factors affecting tax charge for the financial year**

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	Year ended 31 March 2021 £	Period ended 31 March 2020 £
Profit before tax	376,521	37,062
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	71,539	7,042
Effects of:		
Fixed asset differences	3,383	80
Effect of UK tax rate changes	-	59
Group relief not paid for	(74,595)	(7,258)
Prior period adjustment – deferred tax	(10)	(1,186)
Prior period adjustment – current tax	88	(6,595)
Total tax charge/(credit) for the year	405	(7,858)

Factors that may affect future tax charges

On 11 March 2020 it was announced that the planned reduction of the UK corporation tax rate to 17% would not occur and that the UK corporation tax rate would remain at 19% for the financial years commencing 1 April 2020 and 1 April 2021. Since the year-end, the government has indicated its intention to raise the standard rate of UK corporation tax to 25% (effective 1 April 2023) which was substantively enacted on 24 May 2021. The effect this change would have on deferred tax balances is shown in note 14.

BLACKWELLS (HEREFORD) LIMITED

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

11. TANGIBLE ASSETS

	Freehold £	Fixtures & Fittings £	Motor vehicles £	Total £
Cost				
At 1 April 2020	604,036	55,134	9,924	669,094
Additions	-	19,880	-	19,880
Disposals	-	(14,888)	-	(14,888)
At 31 March 2021	604,036	60,126	9,924	674,086
Accumulated depreciation				
At 1 April 2020	103,515	41,009	4,549	149,073
Charge for the year	10,581	7,117	2,481	20,179
Eliminated on disposals	-	(14,938)	-	(14,938)
At 31 March 2021	114,096	33,188	7,030	154,314
Net book value				
At 31 March 2021	489,940	26,938	2,894	519,772
At 31 March 2020	500,521	14,125	5,375	520,021

Included within freehold is freehold land totalling £75,000 (2020: £75,000) which is not depreciated.

The Company undertook a review of its fixed asset register during the year ended 31 March 2021 and subsequently disposed of a number of legacy assets fully written down.

12. DEBTORS

	2021 £	2020 £
Amounts falling due within one year:		
Amounts due from Group undertakings	550,376	512,988
Trade debtors	6,857	46,612
Prepayments and accrued income	6,301	4,617
	563,534	564,217

Amounts due from Group undertakings are interest free, unsecured and repayable on demand.

BLACKWELLS (HEREFORD) LIMITED

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

13. CREDITORS:

Amounts falling due within one year

	2021 £	2020 £
Amounts owed to Group undertakings	-	7,262
Trade creditors	2,289	3,313
Other tax and social security	452	3,501
Accruals and deferred income	23,503	53,547
Other creditors	-	22,657
Corporation tax payable	88	34,243
	<u>26,332</u>	<u>124,523</u>

Amounts due to Group undertakings are interest free, unsecured and repayable on demand.

14. DEFERRED TAX

	Deferred Taxation Liability £
At 1 April 2020	428
Charged to the Income Statement	317
At 31 March 2021	<u>745</u>

The deferred taxation balance is made up as follows:

	2021 £	2020 £
Fixed asset differences	808	574
Short term timing differences	(63)	(146)
	<u>745</u>	<u>428</u>

If the deferred tax liability noted above was revalued at the newly announced future rate of 25%, there would be a £236 increase in its carrying value.

15. CALLED UP SHARE CAPITAL

	2021 £	2020 £
Allotted, called up and fully paid		
1,177 (2020: 1,177) Ordinary shares of £1 (2020: £1) each	1,177	1,177
	<u>1,177</u>	<u>1,177</u>

BLACKWELLS (HEREFORD) LIMITED

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

16. PENSIONS AND OTHER SCHEMES

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £6,552 (2020: £460).

17. RESERVES

Profit and loss account

The profit and loss account represents the cumulative profits and losses of the Company less any distributions made to the owners of the Company.

18. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption, under FRS 102 paragraph 33.2, from disclosing transactions with members of the same group that are wholly owned.

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is a wholly owned subsidiary of Accomplish Group Bidco Limited, a company incorporated in England and Wales.

In the opinion of the Directors, at 31 March 2021, the ultimate parent undertaking and controlling party is considered to be Sundhet Holding SA.

Accomplish Group Holdco Limited is the parent of the smallest and largest group in which the Company is a member and for which group financial statements are drawn up. Copies of the financial statements of Accomplish Group Holdco Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.