

**EDEN SUPPORTED LIVING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

EDEN SUPPORTED LIVING LIMITED

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EDEN SUPPORTED LIVING LIMITED

Company Information

Directors	D A Berry S J Collier A P Dean
Registered office	Friary House 17A Friary Road Newark Nottinghamshire NG24 1LE
Bankers	Lloyds TSB Bank PLC Birmingham OSC Ariel House 2138 Coventry Road Sheldon Birmingham B26 3JW
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

EDEN SUPPORTED LIVING LIMITED

Directors' Report for the Year Ended 31 March 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Directors of the company

The directors who held office during the year were as follows:

D A Berry

S J Collier

A P Dean

Financial instruments

Objectives and policies

The board constantly monitors the group's trading results and revise projections as appropriate to ensure that the company can meet its future obligations as they fall due.

Price risk, credit risk, liquidity risk and cash flow risk

The group to which the company belongs is exposed to the usual credit and cash flow risks associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments are such that they are not subject to price risk or liquidity risk.

Employment of disabled persons

The company's policy is to consider the recruitment of disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Employee involvement

The company encourages the involvement of employees in its management through regular departmental meetings and company briefings from the executive directors.

Future developments

The external environment is expected to remain competitive going forward. However, the directors remain confident that the group to which the company belongs will improve its current level of performance in the future and will continue to trade as a going concern.

Carbon and energy reporting

Change in Emissions

The reporting period is 1 April 2020 to 31 March 2021, aligning with the company's financial year. A base year of 1 April 2019 to 31 March 2020, has been used, as this is the first year for which reliable data was recorded and measured. The base year is used as the benchmark for emission data and consumption changes, and the changes between this reporting period and the base year have been recorded and detailed. The recalculation policy is to recalculate the base year emissions only for relevant significant changes which meet the threshold of affecting 5% of base year emissions.

Approach

The UK Government's environmental reporting guidance on how to measure and report greenhouse gas emissions has been used, along with the provided greenhouse gas reporting figures for 2020. The financial control approach has been used to define the scope boundary.

EDEN SUPPORTED LIVING LIMITED

Directors' Report for the Year Ended 31 March 2021

Operational Scopes

We have measured our scope 1, scope 2 and partial scope 3 emissions. Electricity and gas are the primary and only utilities used, Eden owned no company vehicles but had staff mileage claims during the reporting period. All activities are based within the UK.

- Scope 1 emissions consists only of natural gas usage from buildings.
- Scope 2 emissions consists only of electricity usage from buildings.
- Measured scope 3 emissions are from grey fleet mileage.

Table 1 shows the breakdown of carbon emissions by scope, with comparison to the base year, for the period 1 April 2020 to 31 March 2021.

	Base Year (FY 2020)		FY 2021		tCO2e Change
	tCO2e	%	tCO2e	%	
Scope 1	31.0	34%	23.9	28%	- 7.1
Natural Gas	25.0	28%	23.9	28%	- 1.1
Company Vehicles	6.0	7%	-	0%	- 6.0
Scope 2	22.0	24%	20.9	24%	- 1.1
Electricity	22.0	24%	20.9	24%	- 1.1
Scope 3	37.0	41%	40.7	48%	+ 3.7
Grey Fleet Mileage	37.0	41%	40.7	48%	+ 3.7
Gross Total	90.0	100%	85.5	100%	- 4.5

Intensity ratios and targets

An overall intensity ratio of Gross Scope 1, Scope 2, and Scope 3 emissions per £M turnover has been calculated and compared to the base year. This will allow comparison and benchmarking with similar organisations and drives energy reduction goals.

The previous reduction target was to reduce Gross Scope 1 and 2 emissions by 5% from FY 2020 to FY 2021. This has been achieved with an 8.1 tCO2e from FY 2020 to FY 2021, which is a 15% reduction from FY 2020 to FY 2021, with decreased gas usage, company vehicles, and electricity usage. This reduction may have been affected by the COVID-19 pandemic. The chosen emissions reduction target for this financial year is to reduce the overall intensity ratio by 5% from FY 2021 to FY 2022. The target is based upon the intensity ratio to improve performance, and account for changes in operations, such as in the COVID-19 pandemic.

If the turnover theoretically remains the same across the current and upcoming reporting periods, predicted gross emissions are 81.2 tCO2e. Table 2 shows the intensity ratio and target for the business, with comparison to the base year, for the period 1 April 2020 to 31 March 2021, as well as the target and predicted tCO2e. Intensity ratios are presented as tCO2e/£M.

EDEN SUPPORTED LIVING LIMITED

Directors' Report for the Year Ended 31 March 2021

Base Year		FY 2021		FY 2022	
tCO2e	Intensity Ratio	tCO2e	Intensity Ratio	tCO2e	Intensity Ratio
90.0	4.69	85.5	4.14	81.2	3.93

Carbon Reduction Initiatives

Eden are committed to reducing emissions and were required to comply with the Energy Savings Opportunity Scheme (ESOS) Phase 2 which identified several energy efficiency opportunities. However, due to the ongoing COVID-19 pandemic, various initiatives have been left at the planning stage and placed on hold.

Eden also recently created an ESG Impact Report which detailed energy use and carbon production across the organisation, along with this, a carbon reduction action plan was created to work alongside the ESOS Phase 2 recommendations.

Going concern

In accordance with the Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009', the directors of all companies are now required to provide disclosures regarding the adoption of the going concern basis of accounting.

The company has sufficient resources available and the directors have prepared forecasts for the next 12 months that indicate that this will continue to be the case. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and has continued to adopt the going concern basis in preparing the financial statements.

Disclosure of information to the auditors

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on 11 August 2021 and signed on its behalf by:

A P Dean
Director

EDEN SUPPORTED LIVING LIMITED

Strategic Report for the Year Ended 31 March 2021

The directors present their strategic report for the year ended 31 March 2021.

Principal activity

The principal activity of the company is that of providing services for people with disabilities and support needs at all stages of their care pathway from supported living through to support under the Mental Health Act.

Fair review of the business

The results for the year, which are set out in the profit and loss account, show an operating profit of £2,187,444 (2020 - £1,944,224). At 31 March 2021, the company had tangible fixed assets, intangible fixed assets and investments of £8,088,144 (2020 - £8,944,742). The directors consider the results for the year and the financial position of the company at the year end to be satisfactory.

Details of future developments, principal risks and uncertainties, key performance indicators, financial instruments and going concern are disclosed in the group financial statements of the company's ultimate parent company, Eden Care & Support Group Limited.

Approved by the Board on 11 August 2021 and signed on its behalf by:

A P Dean
Director

EDEN SUPPORTED LIVING LIMITED

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report, Strategic 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

EDEN SUPPORTED LIVING LIMITED

Independent Auditor's Report to the Members of Eden Supported Living Limited

Opinion

We have audited the financial statements of Eden Supported Living Limited (the 'company') for the year ended 31 March 2021, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of 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 March 2021 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 director's 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 original financial statements were 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

EDEN SUPPORTED LIVING LIMITED

Independent Auditor's Report to the Members of Eden Supported Living Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of our 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 and the Directors' Report.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities 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, 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 obtained an understanding of the legal and regulatory frameworks applicable to the financial statements or that had a fundamental effect on the operations of the group. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006, and taxation laws;

We understood how the group is complying with those legal and regulatory frameworks by making inquiries of the management, and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes. We assessed the susceptibility of the groups financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the Group engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- Challenging assumptions and judgments made by management in its significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual characteristics.

EDEN SUPPORTED LIVING LIMITED

Independent Auditor's Report to the Members of Eden Supported Living Limited

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Martin Howard (Senior Statutory Auditor)

For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House

Bayshill Road

Cheltenham

GL50 3AT

11 August 2021

EDEN SUPPORTED LIVING LIMITED

Profit and Loss Account for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Turnover	<u>3</u>	20,661,114	19,210,951
Cost of sales		<u>(13,566,131)</u>	<u>(12,518,198)</u>
Gross profit		7,094,983	6,692,753
Administrative expenses		<u>(4,691,572)</u>	<u>(4,765,998)</u>
Operating profit before exceptional administrative expenses		2,403,411	1,926,755
Exceptional administrative expenses	<u>6</u>	<u>(215,967)</u>	<u>17,469</u>
Operating profit	<u>4</u>	2,187,444	1,944,224
Other interest receivable and similar income	<u>9</u>	1,511,010	1,284,396
Interest payable and similar charges	<u>10</u>	<u>(2,463,377)</u>	<u>(2,434,749)</u>
Profit before tax		1,235,077	793,871
Taxation	<u>11</u>	<u>(294,175)</u>	<u>(37,655)</u>
Profit for the financial year and comprehensive income		<u>940,902</u>	<u>756,216</u>

The above results were derived from continuing operations.

EDEN SUPPORTED LIVING LIMITED

(Registration number: 07276039)

Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	<u>12</u>	7,754,219	8,513,756
Tangible assets	<u>13</u>	333,923	430,984
Investments	<u>14</u>	2	2
		<u>8,088,144</u>	<u>8,944,742</u>
Current assets			
Debtors: Amounts falling due within one year	<u>15</u>	1,545,167	1,591,570
Debtors: Amounts falling due after more than one year	<u>15</u>	21,107,670	18,374,142
Cash at bank and in hand		<u>1,022,302</u>	<u>867,892</u>
		23,675,139	20,833,604
Creditors: Amounts falling due within one year	<u>16</u>	<u>(2,493,120)</u>	<u>(1,924,855)</u>
Net current assets		<u>21,182,019</u>	<u>18,908,749</u>
Total assets less current liabilities		<u>29,270,163</u>	<u>27,853,491</u>
	<u>16</u>		
Creditors: Amounts falling due after more than one year		<u>31,799,560</u>	<u>31,323,790</u>
Capital and reserves			
Called up share capital	<u>17</u>	1	1
Profit and loss account		<u>(2,529,398)</u>	<u>(3,470,300)</u>
Total equity		<u>(2,529,397)</u>	<u>(3,470,299)</u>
Total capital, reserves and long term liabilities		<u>29,270,163</u>	<u>27,853,491</u>

Approved and authorised by the Board on 11 August 2021 and signed on its behalf by:

A P Dean
Director

The notes on pages 13 to 22 form an integral part of these financial statements.

EDEN SUPPORTED LIVING LIMITED**Statement of Changes in Equity for the Year Ended 31 March 2021**

	Share capital £	Profit and loss account £	Total £
At 1 April 2020	1	(3,470,300)	(3,470,299)
Profit for the year	-	940,902	940,902
At 31 March 2021	1	(2,529,398)	(2,529,397)

	Share capital £	Profit and loss account £	Total £
At 1 April 2019	1	(4,226,516)	(4,226,515)
Profit for the year	-	756,216	756,216
At 31 March 2020	1	(3,470,300)	(3,470,299)

The notes on pages 13 to 22 form an integral part of these financial statements.

EDEN SUPPORTED LIVING LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Friary House
17A Friary Road
Newark
Nottinghamshire
NG24 1LE

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Name of parent of group

These financial statements are consolidated in the financial statements of Eden Care & Support Group Limited.

The financial statements of Eden Care & Support Group Limited may be obtained from Companies House.

Group accounts not prepared

The company has taken advantage of the exemption in section 400(1) of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that it is a wholly owned subsidiary and it is included in the consolidated financial statements of its parent as set out in section 400(1) of the Companies Act 2006

Going concern

The directors have reviewed the trading and cash flow forecasts and considered the facilities and support available to the group. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and, as such, continue to prepare the financial statements on a going concern basis.

Judgements and estimation uncertainty

The directors consider that there are no key areas of judgement or estimation uncertainty to be disclosed in these financial statements.

Revenue recognition

Turnover represents the amounts receivable during the year for the provision of care services. Where the amount received relates to a period which covers the balance sheet date, that amount is apportioned over the period to which it relates.

EDEN SUPPORTED LIVING LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2021

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current 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 taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than freehold land over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land and buildings	Straight line over 100 years
Long leasehold property	Straight line over the life of the lease
Plant and machinery	15% on reducing balance
Office equipment	Straight line over 4 years
Motor vehicles	25% on reducing balance

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Straight line over 20 years

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

EDEN SUPPORTED LIVING LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2021

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All debtors are repayable within one year and are hence included at the undiscounted amount of the cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

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.

EDEN SUPPORTED LIVING LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2021

Financial instruments (continued)

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom, and relates entirely to the provision of care services.

4 Operating profit

Arrived at after charging

	2021 £	2020 £
Depreciation expense	133,510	245,223
Amortisation expense	759,537	759,537
Operating lease expense - other assets	1,352,372	1,092,051

5 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	5,550	5,450
Other fees to auditors		
All other non-audit services	1,150	1,150

EDEN SUPPORTED LIVING LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2021

6 Exceptional items

	2021 £	2020 £
Exceptional administrative expenses	215,967	(17,469)

Exceptional expenses in the current year and prior year consisted of costs associated with Covid-19 and non-recurring legal and professional fees.

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £	2020 £
Wages and salaries	13,320,542	12,691,204
Social security costs	993,479	938,892
Pension costs, defined contribution scheme	293,233	290,723
	<u>14,607,254</u>	<u>13,920,819</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Management and administration	59	63
Care and support	642	609
	<u>701</u>	<u>672</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	100,377	264,601
Contributions paid to money purchase schemes	2,175	11,116
	<u>102,552</u>	<u>275,717</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021 No.	2020 No.
Accruing benefits under money purchase pension scheme	1	3

9 Other interest receivable and similar income

	2021 £	2020 £
Interest receivable from group undertakings and participating interests	1,511,010	1,284,070
Interest income on bank deposits	-	326
	<u>1,511,010</u>	<u>1,284,396</u>

EDEN SUPPORTED LIVING LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2021

10 Interest payable and similar expenses

	2021 £	2020 £
Finance costs adjacent to interest	29,726	50,137
Interest payable to group undertakings	2,431,827	2,380,235
Interest expense on other finance liabilities	1,824	4,377
	<u>2,463,377</u>	<u>2,434,749</u>

11 Taxation

Tax charged/(credited) in the profit and loss account

	2021 £	2020 £
Current taxation		
UK corporation tax	182,107	51,004
UK corporation tax adjustment to prior periods	97,632	-
	<u>279,739</u>	<u>51,004</u>
Deferred taxation		
Arising from origination and reversal of timing differences	15,720	(13,349)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	(1,284)	-
	<u>14,436</u>	<u>(13,349)</u>
Total deferred taxation		
	<u>294,175</u>	<u>37,655</u>
Tax expense in the income statement		

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - lower than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	<u>1,235,077</u>	<u>793,871</u>
Corporation tax at standard rate	234,665	150,835
Decrease in UK and foreign current tax from unrecognised temporary difference from a prior period	-	(8,428)
Deferred tax credit from unrecognised temporary difference from a prior period	(1,284)	(40,274)
Increase in UK and foreign current tax from adjustment for prior periods	97,632	-
Tax increase from effect of capital allowances and depreciation	157,782	178,238
Tax decrease arising from group relief	(194,620)	(242,716)
Total tax charge	<u>294,175</u>	<u>37,655</u>

EDEN SUPPORTED LIVING LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2021

Deferred tax

Deferred tax assets and liabilities

	Asset £
2021	
Fixed asset timing differences	10,848
Short term timing differences	6,622
	<u>17,470</u>
	Asset £
2020	
Fixed asset timing differences	25,942
Short term timing differences	5,964
	<u>31,906</u>

12 Intangible assets

	Goodwill £
Cost	
At 1 April 2020 and at 31 March 2021	<u>15,190,748</u>
Amortisation	
At 1 April 2020	6,676,992
Amortisation charge	<u>759,537</u>
At 31 March 2021	<u>7,436,529</u>
Carrying amount	
At 31 March 2021	<u>7,754,219</u>
At 31 March 2020	<u>8,513,756</u>

EDEN SUPPORTED LIVING LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2021

13 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost			
At 1 April 2020	224,523	3,184,914	3,409,437
Additions	-	36,449	36,449
At 31 March 2021	224,523	3,221,363	3,445,886
Depreciation			
At 1 April 2020	221,446	2,757,007	2,978,453
Charge for the year	1,874	131,636	133,510
At 31 March 2021	223,320	2,888,643	3,111,963
Carrying amount			
At 31 March 2021	1,203	332,720	333,923
At 31 March 2020	3,077	427,907	430,984

Included within the net book value of land and buildings above is £1,203 (2020 - £3,077) in respect of freehold land and buildings.

14 Investments in subsidiaries

	2021 £	2020 £
Investments in subsidiaries	2	2

Subsidiaries

£

Cost and net book value

At 1 April 2020 and at 31 March 2021	2
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Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Friary House Training Limited	England and Wales	Ordinary	100%	100%

Subsidiary undertakings

Friary House Training Limited

The principal activity of Friary House Training Limited is that of a dormant company.

EDEN SUPPORTED LIVING LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2021

15 Debtors

	Note	2021 £	2020 £
Trade debtors		779,343	890,126
Amounts owed by related entities		10,209,290	8,798,879
Amounts owed by group undertakings		10,898,380	9,575,263
Other receivables		13,807	102,782
Prepayments and accrued income		734,547	566,756
Deferred tax assets	11	17,470	31,906
		22,652,837	19,965,712
Less non-current portion		(21,107,670)	(18,374,142)
Total current trade and other receivables		1,545,167	1,591,570

Details of non-current trade and other debtors

£10,898,380 (2020 - £9,575,263) of amounts owed by group undertakings included within receivables from related parties is classified as non-current.

£10,209,290 (2020 - £8,798,879) of amounts owed by connected companies included within receivables from related parties is classified as non-current.

16 Creditors

	Note	2021 £	2020 £
Due within one year			
Trade creditors		303,523	357,739
Social security and other taxes		207,515	187,799
Other creditors		1,451,984	1,090,147
Accrued expenses		347,990	219,178
Corporation tax	11	182,108	69,992
		2,493,120	1,924,855
Due after one year			
Amounts owed to group undertakings and related parties		31,799,560	31,323,790

Other non-current financial liabilities comprise £29,797,089 (2020 - £29,266,346) of amounts owed to group undertakings and £2,002,471 (2020 - £2,057,444) of amounts owed to connected companies.

17 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	1	1	1	1

EDEN SUPPORTED LIVING LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2021

18 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	893,621	744,480
Later than one year and not later than five years	3,823,148	2,698,442
Later than five years	5,649,111	4,268,089
	<u>10,365,880</u>	<u>7,711,011</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,352,372 (2020 - £1,092,051).

19 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £293,233 (2020 - £290,723).

20 Contingent liabilities

The company is bound by an intra-group cross guarantee in respect of loan notes owned by Sovereign Capital Partners LLP and the other debt owed to Tosca Debt Capital (Luxembourg) S.a.r.l with other members of the group headed by Eden Care & Support Group Limited. The amount guaranteed is £30,960,315 (2020 - £30,463,256).

21 Related party transactions

During the year, the company incurred costs in relation to property rental services totalling £835,758 (2020 - £622,705) to Jack Smith Properties Limited and £179,210 (2020 - £140,000) to Sipps, companies in which M Nichol-Smith has a significant interest.

All transactions above were carried out on an arms length basis.

At 31 March 2021, the company was owed £10,209,290 (2020 - £8,798,879) and owed £2,002,471 (2020 - £2,057,444) to companies controlled by funds managed by Sovereign Capital Partners LLP.

Management services of £299,686 (2020 - £680,095) were received from companies controlled by funds managed by Sovereign Capital Partners LLP.

The above loans have been charged interest at 8%.

22 Parent and ultimate parent undertaking

The company's immediate parent is Eden Holdings Financing Limited, incorporated in England and Wales.

The ultimate parent is Eden Care and Support Group Limited, incorporated in England and Wales.

The ultimate controlling party is funds managed by Sovereign Capital Limited Partnership III, a limited partnership registered in England and Wales.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.