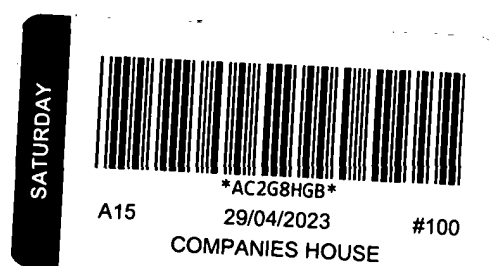


Registration number: 08292028

Castell Ventures Limited

Annual Report and Financial Statements

For the period from 1 January 2022 to 31 January 2023



Castell Ventures Limited

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Castell Ventures Limited
Company Information

Directors

Mr L Reeves

Registered Office

Unit 4, Evolution House
Lakeside Business Village
St David's Park
Ewloe
CH5 3XP

Auditor

Beever and Struthers
The Colmore Building
20 Colmore Circus
Queensway
Birmingham
B4 6AT

Castell Ventures Limited

Strategic Report for the Period Ended 31 January 2023

The directors present the strategic report of Castell Ventures Limited ("Castell Ventures" or the "company") for the 13-month period ended 31 January 2023.

Principal activity

The principal activity of the company in the period was that of catering, cleaning and domiciliary care services.

Fair review of the business

Castell Ventures is an independent company, which, up until 31 January 2023, was run as a social enterprise with any profits generated used to further the social purpose of its then parent company, Wales & West Housing Association Limited (the "Association"). The company has been providing catering and cleaning services to residents at the Association's Extra Care schemes since 2013 and has been providing domiciliary care and support services to older people and others with complex needs since 2016, mainly in properties owned by the Association.

On 31 January 2023, Castell Ventures was purchased from the Association via a management buy-out. The Company's period-end was extended to 31 January in order to align the business with the date of the management buy-out. Further information is available within note 14.

During this period, Castell Ventures has its own board of directors, which met four times, but all strategic decisions made by the company were subject to oversight and governance by the Board of the Association.

Principal risks and uncertainties

The provision of care and support services is subject to sector-specific regulatory oversight and brings additional reputational risk. However, the growth of this business has been done in a phased manner over a number of years and under the leadership of a management team with extensive experience in the sector. The risk of poor governance is mitigated by direct oversight from the Board of Directors, which is diverse and draws upon a wide range of skills, backgrounds and specialisms.

Castell Ventures Limited

Strategic Report for the Period Ended 31 January 2023 (continued)

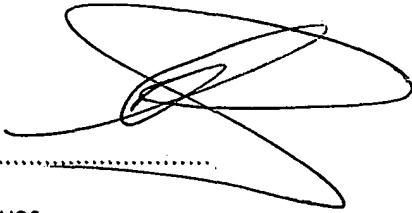
Performance during the period

The results for the period show a turnover of £5.4 million (2021: £4.4 million) due to the increased volume of domiciliary care and support services provided. The company reported an operating profit for the period of £2k (2021: £27k profit). After interest payments and exceptional income, this took profits to £201k (2021: £16k profit) and retained earnings of £165k at 31 December 2022 (2021 retained losses: £36k).

Future developments

The principal activity of the company is the provision of domiciliary care services, this will continue for the foreseeable future. It is anticipated that the business will continue to generate an operating profit during 2023 and beyond.

Approved and authorised by the Board on 20/4/2023 and signed on its behalf by:



Mr L Reeves

Director

Castell Ventures Limited

Directors' Report for the Period Ended 31 January 2023

The directors present their report and the financial statements for the period ended 31 January 2023.

Director of the company

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

Mr L Reeves

Mrs A K Hinchey (resigned 31 January 2023)

Mr A Stephenson (resigned 31 January 2023)

Mrs J M Davoile (appointed 14 July 2022, resigned 31 January 2023)

Mr S A Hembrow (resigned 31 January 2023)

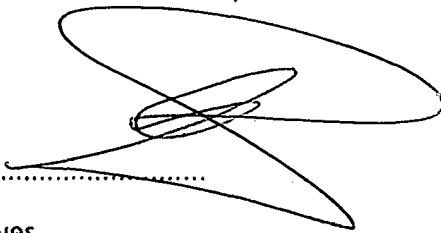
Mr S L Epps (resigned 31 January 2023)

Mr S T J Porter (resigned 31 January 2023)

Disclosure of information to the Auditor

Each director has taken 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 Auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the Auditor is unaware.

Approved and authorised by the Board on 20/4/2023 and signed on its behalf by:



.....

Mr L Reeves

Director

Castell Ventures Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Castell Ventures Limited

Independent Auditors' Report to the Members of Castell Ventures Limited

Opinion

We have audited the financial statements of Castell Ventures Limited (the 'company') for the period ended 31 January 2023, which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, 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 January 2023 and of its profit for the period 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 of 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 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 financial statements are authorised for issue. Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other Information

The 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.

Castell Ventures Limited

Independent Auditors' Report to the Members of Castell Ventures Limited (continued)

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.

Other Information

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 period 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 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.

Castell Ventures Limited

Independent Auditors' Report to the Members of Castell Ventures Limited (continued)

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.

Extent to which the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006 and tax legislation.
- We enquired of the Directors and reviewed meeting minutes for evidence of non-compliance with relevant laws and regulations.
- We enquired of the Directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.
- We enquired of the Directors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

Castell Ventures Limited

Independent Auditors' Report to the Members of Castell Ventures Limited (continued)

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.



.....
Lee Cartwright (Senior Statutory Auditor)

For and on behalf of Beever and Struthers, Statutory Auditor

The Colmore Building
20 Colmore Circus
Queensway
Birmingham
B4 6AT

26 April 2023

Date:.....

Castell Ventures Limited

Income Statement for the Period Ended 31 January 2023

	Note	Period ended 31 January 2023 £	Year ended 31 December 2021 £
Turnover		5,393,767	4,352,169
Cost of sales		(4,617,361)	(3,608,132)
Gross profit		<u>776,406</u>	<u>744,037</u>
Administrative expenses		(774,656)	(717,320)
Operating profit	3	<u>1,750</u>	<u>26,717</u>
Interest payable and similar expenses	4	(16,491)	(10,362)
Exceptional Income	8	<u>215,920</u>	<u>-</u>
Profit before tax		<u>201,179</u>	<u>16,355</u>
Profit for the financial period		201,179	16,355
Retained losses brought forward		(36,179)	(52,534)
Retained earnings/ (losses) carried forward		<u>165,000</u>	<u>(36,179)</u>

The above results were derived from continuing operations.

Profit and total comprehensive income for the period is £201,179.

There was no other comprehensive income for the period.

The notes on pages 15 to 20 form an integral part of these financial statements.

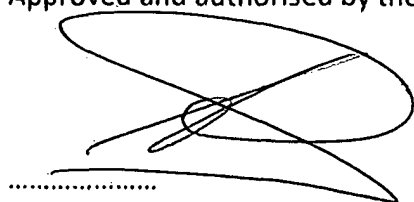
Castell Ventures Limited

(Registration number: 08292028)

Statement of Financial Position as at 31 January 2023

	Note	Period ended 31 January 2023 £	Year ended 31 December 2021 £
Current assets			
Debtors	9	1	389,138
Cash at bank and in hand	10	165,000	84,206
		<u>165,001</u>	<u>473,344</u>
Creditors: Amounts falling due within one year	11	-	(384,522)
		<u>165,001</u>	<u>88,822</u>
Total assets less current liabilities			
Creditors: Amounts falling due after more than one year	11	-	(125,000)
		<u>165,001</u>	<u>(36,178)</u>
Net assets/ (liabilities)			
Capital and reserves			
Called up share capital		1	1
Profit and loss account		165,000	(36,179)
Shareholders' deficit		<u>165,001</u>	<u>(36,178)</u>

Approved and authorised by the Board on 20/4/2023 and signed on its behalf by:



Mr L Reeves

Director

The notes on pages 15 to 20 form an integral part of these financial statements.

Castell Ventures Limited

Statement of Changes in Equity for the Period Ended 31 January 2023

	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2022	1	(36,179)	(36,178)
Profit for the period	-	201,179	201,179
	<hr/>	<hr/>	<hr/>
Total comprehensive income	-	201,179	201,179
	<hr/>	<hr/>	<hr/>
At 31 January 2023	1	165,000	165,001
	<hr/>	<hr/>	<hr/>

	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2021	1	(52,534)	(52,533)
Profit for the year	-	16,355	16,355
	<hr/>	<hr/>	<hr/>
Total comprehensive income	-	16,355	16,355
	<hr/>	<hr/>	<hr/>
At 31 December 2021	1	(36,179)	(36,178)
	<hr/>	<hr/>	<hr/>

The notes on pages 15 to 20 form an integral part of these financial statements.

Castell Ventures Limited

Statement of Cash Flows for the Period Ended 31 January 2023

	Note	Period ended 31 January 2023 £	Year ended 31 December 2021 £
Cash flows from operating activities			
Profit/(loss) for the period		201,179	16,355
Adjustments to cash flows from non-cash items			
Finance costs	4	16,491	10,362
		<u>217,670</u>	<u>26,717</u>
Working capital adjustments			
Decrease/(increase) in stocks		-	18,093
(Increase)/decrease in trade debtors		389,137	59,596
(Decrease)/ increase in trade creditors		(509,522)	(22,306)
Net cash inflow from operating activities		<u>97,285</u>	<u>82,100</u>
Cash flows from financing activities			
Interest paid	4	(16,491)	(10,362)
Net increase in cash and cash equivalents		<u>80,794</u>	<u>71,738</u>
Cash and cash equivalents at 1 January 2022		84,206	12,468
Cash and cash equivalents at 31 January 2023		<u>165,000</u>	<u>84,206</u>

The notes on pages 15 to 19 form an integral part of these financial statements.

Castell Ventures Limited

Notes to the Financial Statements for the Period Ended 31 January 2023

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:

Unit 4, Evolution House
Lakeside Business Village
St David's Park
Ewloe
CH5 3XP

These financial statements were authorised for issue by the Board on 20/4/2023

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 that as disclosed in the accounting policies certain items are shown at fair value.

Summary of disclosure exemptions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland," not to disclose related party transactions with wholly owned subsidiaries within the group.

Going concern

The financial statements have been prepared on a going concern basis. The Directors have reviewed and considered relevant information, including the rolling forecasts and future cash flows in making their assessment. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Revenue recognition

Turnover is recognised at the point when the services are delivered and is measured at the fair value of the consideration received or receivable, excluding value added tax and other sales taxes.

Castell Ventures Limited

Notes to the Financial Statements for the Period Ended 31 January 2023

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 taxable income.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing differences.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or futures taxable profits.

3 Operating profit

Arrived at after charging/(crediting):

	2022	2021
	£	£
Auditor's remuneration – audit of company's annual accounts	<u>8,269</u>	<u>5,460</u>

4 Interest payable and other expenses

	2022	2021
	£	£
Interest expense on other finance liabilities	<u>16,491</u>	<u>10,362</u>

Castell Ventures Limited

Notes to the Financial Statements for the Period Ended 31 January 2023

5 Staff costs

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

	2022	2021
	£	£
Wages and salaries	4,177,757	3,408,279
Social security costs	328,759	214,633
Pension costs, defined contribution scheme	152,219	124,470
Other employee expense	60,628	44,122
	<u>4,719,363</u>	<u>3,791,504</u>

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

	2022	2021
	No.	No.
Staff	182	183
Directors	7	6
	<u>189</u>	<u>189</u>

6 Directors remuneration

The directors remuneration for the period was as follows:

	2022	2021
	£	£
Remuneration	<u>82,922</u>	<u>65,285</u>

During the period the number of Directors who were receiving benefits and share incentives was as follows:

	2022	2021
	No.	No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

Castell Ventures Limited

Notes to the Financial Statements for the Period Ended 31 January 2023

7 Taxation

Tax charged/(credited) to the income statement

	2022	2021
	£	£
Current taxation		
UK Corporation tax	-	-

The tax on profit for the period is lower (2021: lower) than the standard rate of corporation tax in the UK of 19% (2020: 19%).

The differences are reconciled below:

	2022	2021
	£	£
Profit before tax	201,179	16,355
Corporate tax at standard rate	38,224	3,107
Effect of tax losses	-	(3,107)
Effect of income not chargeable to corporation tax	(38,224)	-
Total tax charge	-	-

8 Exceptional Items

	2022	2021
	£	£
Exceptional Income		
Intercompany Loan Write Off	215,920	-

Exceptional income is made up of the writing off of Intercompany loans owed by Castell Ventures to the previous parent company, Wales and West Housing Association Limited. Note 14 provides further detail regarding the change in ownership. There were no loan write-offs in the prior period.

This income is not in the ordinary course of business for the Company and has therefore been presented separately from ordinary trading activities.

9 Debtors

	2022	2021
	£	£
Trade debtors	-	372,841
Amounts owed by related parties	-	16,196
Other debtors	-	100
Called up share capital not paid	1	1
	<u>1</u>	<u>389,138</u>

Castell Ventures Limited

Notes to the Financial Statements for the Period Ended 31 January 2023

10 Cash and cash equivalents

	2022	2021
	£	£
Cash in hand	-	3,764
Cash at bank	165,000	80,442
	<u>165,000</u>	<u>84,206</u>

11 Creditors

	2022	2021
	£	£
Due within one year		
Trade creditors	-	12,322
Social security and other taxes	-	98,982
Other payables	-	158,878
Accruals	-	114,340
	<u>-</u>	<u>384,522</u>
Due after one year		
Amount owed to group - loan	-	125,000

12 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £152,219 (2021 - £124,469).

13 Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	At 31 January 2023 £
Cash and cash equivalents			
Cash	84,206	80,794	165,000
	<u>84,206</u>	<u>80,794</u>	<u>165,000</u>

Castell Ventures Limited

Notes to the Financial Statements for the Period Ended 31 January 2023

14 Events after the reporting period

On 31 January 2023, Castell Ventures' Managing Director completed the management buy-out of the Company, previously a wholly owned subsidiary of Wales and West Housing Association.

The Board decided that it was in the best interests of the staff and service users of Castell Ventures if it was separated from the Wales & West Housing Group in such a way as to preserve its culture, ethos and operating arrangements. A separation would allow Castell Ventures to determine its own strategy and deliver a sustainable future outside of the previous structure. In order to ensure continuity for all concerned, the Board's preferred option was to explore a management buy-out by Luke Reeves, Castell's Managing Director.

The share capital of Castell Ventures Limited has been sold for its' nominal value of £1, being the sale of 100% of the share capital of Castell Ventures Limited.

As part of this transition, the catering and cleaning elements of Castell Ventures have been transferred into Wales & West Housing Association, allowing the Company to focus on its' care service offerings.

15 Parent and ultimate parent undertaking

The company's immediate and ultimate controlling party is Mr L Reeves.