

**COMPANY REGISTRATION NUMBER: 9202115**

**Athena Care Homes (UK) Limited**

**Financial Statements**

**31 March 2023**

# Athena Care Homes (UK) Limited

## Financial Statements

**Year ended 31 March 2023**

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# **Athena Care Homes (UK) Limited**

## **Officers and Professional Advisers**

### **The board of directors**

Mr U Agarwal

Mrs M Agarwal

### **Company secretary**

M Agarwal

### **Registered office**

Unit 5, Russel House

Southfields Business Park

Hornsby Way

Laindon

Essex

SS15 6TF

### **Auditor**

Muras Baker Jones Limited

Chartered accountants & statutory auditor

Regent House

Bath Avenue

Wolverhampton

West Midlands

WV1 4EG

# Athena Care Homes (UK) Limited

## Strategic Report

**Year ended 31 March 2023**

### **Principal activity**

The principal activity of the company is that of a holding company controlling a group that manages care homes. The group operates the following homes: 1. Amberley Hall Care Home, Kings Lynn, which is a nursing home that provides accommodation, nursing care and support for up to 106 people some of whom may live with dementia or a physical disability. 2. Goodwins Hall Care Home, Kings Lynn, which is a nursing home that provides accommodation for up to 78 people who may require nursing and/or personal care. 3. Aria Court Care Home, March, Cambridgeshire, which is a nursing home that provides accommodation, nursing care and support for up to 92 people, some of whom have mental health needs. 4. Ashlynn Grange Care Home, Peterborough, which is a nursing home that provides accommodation for mainly older people who require nursing and/or personal care. The number of registered beds is 156, but currently the company utilises a maximum of 114. 5. Avocet Court Care Home, Ipswich, which is a nursing home that provides accommodation, nursing care and support for up to 153 people, some of whom have mental health needs.

### **Results and performance**

Results of the group for the year, as set out on page 11, show a profit before taxation of £4,997,657 (2022: £3,913,230). Cash generated from operations during the year amounted to £2,076,213 (2022: £3,033,814). The shareholders' funds of the group at 31 March 2023 totalled £20,935,319 (2022: £17,346,827). At the financial year end, the group was operating a total of 5 homes. The business is continuing its recovery plan from the impact felt by the global pandemic which impacted the performance of the business. Recruitment, retention and cost inflation continue to be an ongoing problem for the sector. The business still fully intends to recover its pre-pandemic financial position and continue its development programme.

### **Business environment**

The care home market is competitive and highly regulated. The group holds a licence to operate each care home and receives regular inspections from the Care Quality Commission. The group continues to work with the relevant authorities to maintain and improve the high standard of care that management strives to provide.

### **Strategy**

As part of its commitment to provide quality care, the group has ambitions and plans to expand its portfolio of homes both by acquisition and new builds. The focus at each of the group's homes is to create a community that offers activity, independence and choice, giving residents the ability to live their lives the way they really want to. Management is dedicated to developing quality environments and high standards of care. The group is dependent upon attracting and retaining quality nursing and other qualified team members and relies on their professionalism and efficiency in satisfying both the needs of residents and health and safety issues. Training is undertaken to develop the team, deliver high quality person-centred care and mitigate operational risk associated with providing care to older people. By following this strategy, the directors seek to create a thriving, caring and profitable care group.

**Key performance indicators**

The group has made significant progress throughout the year in relation to key elements of its strategy. The group produces detailed management reports and accounts on a monthly basis and a number of Key Performance Indicators ("KPIs") are an integral part of this process. The monthly management reports and accounts focus on the actual performance of the business compared with the budget set for the current financial period. The financial KPIs that are part of this review process include (1) average weekly fee, (2) EBITDA %age (Earnings Before Interest, Taxation, Depreciation and Amortisation) and (3) employment cost %age. Non-financial KPIs include occupancy, both in absolute terms and as a percentage of available beds, together with compliance with external regulators.

**Principal risks and uncertainties**

The principal risks and uncertainties facing the group are broadly categorised as commercial, operational and financial risk.

**Commercial** The principal commercial risk that the group faces is loss of its reputation through any adverse reports from relevant regulators. The directors have put in place arrangements to ensure that standards are maintained and enhanced through central support, the employment and retention of quality team members and the maintenance of high quality facilities.

**Operational** The operational challenge of recruitment and retention of good quality team members is managed through targeting a zero agency culture whereby the company actively monitors agency usage, adopting both a group and local approach to recruitment and investment in team inductions and training.

**Financial** The principal financial risk to the business is attributable to its bank loan. There is the possibility that bank interest rates increase in future from their historically low levels. However, the ratios of the bank loan to current value and interest to EBITDA are both low and this will further improve as the portfolio of homes shows financial improvement. The group's bank loan is subject to financial covenants and the directors continue to monitor these to ensure that they are complied with. With the low gearing, the group's credit risk is low, being primarily attributable to its trade debtors. All credit risk, both publicly and privately-funded, is managed by monitoring payments against contractual agreements. The group monitors cash flow as part of its day to day control procedures. The board considers cash flow projections on a regular basis and ensures that appropriate facilities are available to be drawn upon as necessary. The group faces financial risk from the inflationary pressures on team costs. Any future changes in the National Living Wage will have significant impact on labour cost differentials for the care sector. The group budgets carefully for labour cost differentials arising from National Minimum Wage and Living Wage increases and the associated impact on cash flow and profitability.

**Future developments**

The directors are confident about the continuing financial performance of the business. The directors continue to seek favourable opportunities to expand the number of homes operated by the group.

This report was approved by the board of directors on 20 December 2023 and signed on behalf of the board by:

Mrs M Agarwal

Director

# Athena Care Homes (UK) Limited

## Directors' Report

### Year ended 31 March 2023

The directors present their report and the financial statements of the group for the year ended 31 March 2023 .

### Directors

The directors who served the company during the year were as follows:

Mr U Agarwal

Mrs M Agarwal

### Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

### Employment of disabled persons

The group continues to pursue a policy of giving every consideration to the employment of disabled persons. Employees who are registered disabled persons are, to the greatest possible extent, treated on the same basis as all other employees and given every opportunity to develop their full working potential within the group, through training, career development and promotion. The group is committed to providing equal opportunities to employees. The employment of disabled persons is included in this commitment and the recruitment, training, career development and promotion of disabled persons is based on the aptitudes and abilities of the individual. Where employees have become disabled whilst in the service of the group, every effort is made to rehabilitate them in their former occupation or some suitable alternative and if necessary, appropriate training would be provided.

### Employee involvement

Every effort is made by the directors and management to inform, consult and encourage the full involvement of team members on matters concerning them as employees and affecting the group's performance. The group continues to regard communication with its employees as a key aspect of its policies. Information is given to employees about employment matters and about the financial and economic factors affecting the group's performance through management channels, internal media methods and by way of attendance at internal seminars and training programmes. Employees are encouraged to discuss operational and strategic issues with their line management and to make suggestions aimed at improving performance.

### Going concern

The group's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and details of its exposures to other risks are described in the Strategic Report on pages 2 to 4. The group has considerable long term funding in place from its bankers and continues to be profitable with a positive cash flow. As a consequence, the directors believe that the group is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**Disclosure of information in the strategic report**

A review of the business, principal risks and uncertainties and likely future developments are discussed in the Strategic Report on pages 2 to 4.

**Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, 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 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 group and the company and the profit or loss of the group for that period. In preparing these financial statements, the directors are required to: - select suitable accounting policies and then apply them consistently; - make judgments and accounting estimates that are reasonable and prudent; - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 20 December 2023 and signed on behalf of the board by:

Mrs M Agarwal

Director

# **Athena Care Homes (UK) Limited**

## **Independent Auditor's Report to the Members of Athena Care Homes (UK) Limited**

**Year ended 31 March 2023**

### **Opinion**

We have audited the financial statements of Athena Care Homes (UK) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated income statement, company statement of income and retained earnings, consolidated statement of income and retained earnings, consolidated statement of financial position, company statement of financial position, consolidated statement of cash flows and the related notes, 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 FRS 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 group's and of the parent company's affairs as at 31 March 2023 and of the group's profit for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

**Opinions on other matters 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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or - the parent company financial statements are not in agreement with the accounting records and returns; or - certain disclosures of directors' remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent 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: In planning and designing our audit tests we identify and assess the risks of material misstatement within the financial statements, whether due to fraud or error. Our assessment of these risks includes consideration of the nature of the industry and sector, the control environment and the business performance along with the results of our enquiries of management about their own identification and assessment of risks and irregularities. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK tax legislation and other laws and regulations identified as risk areas identified from our discussions with management. We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. After consideration of the above risks we then carried out audit procedures including the following: - performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; - reading minutes of management meetings; - reviewing correspondence with H M Revenue & Customs; - enquiring of management and reviewing any correspondence with legal advisors concerning actual and potential litigation and claims; - reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements; - in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. There are inherent limitations in our audit procedures described above. The more removed that the laws and regulations are from financial transactions the less likely it is that we would be aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. 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](http://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.

Oliver Ross BSc (Hons) FCA

(Senior Statutory Auditor)

For and on behalf of

Muras Baker Jones Limited

Chartered accountants & statutory auditor

Regent House

Bath Avenue

Wolverhampton

West Midlands

WV1 4EG

20 December 2023

# Athena Care Homes (UK) Limited

## Consolidated Income Statement

Year ended 31 March 2023

|  |           | 2023              | 2022          |
|--|-----------|-------------------|---------------|
|  | Note      | £                 | £             |
| <b>Turnover</b>                              | <b>4</b>  | <b>25,560,496</b> | 20,533,846    |
| Cost of sales                                |           | ( 16,246,951)     | ( 14,654,889) |
|  |           | -----             | -----         |
| <b>Gross profit</b>                          |           | <b>9,313,545</b>  | 5,878,957     |
| Administrative expenses                      |           | ( 3,664,237)      | ( 3,191,202)  |
| Other operating income                       | <b>5</b>  | —                 | 1,569,035     |
|  |           | -----             | -----         |
| <b>Operating profit</b>                      | <b>6</b>  | <b>5,649,308</b>  | 4,256,790     |
| Other interest receivable and similar income | <b>9</b>  | <b>8,255</b>      | 154           |
| Interest payable and similar expenses        | <b>10</b> | ( 659,906)        | ( 343,714)    |
|  |           | -----             | -----         |
| <b>Profit before taxation</b>                |           | <b>4,997,657</b>  | 3,913,230     |
| Tax on profit                                | <b>11</b> | ( 1,009,165)      | ( 875,440)    |
|  |           | -----             | -----         |
| <b>Profit for the financial year</b>         |           | <b>3,988,492</b>  | 3,037,790     |
|  |           | -----             | -----         |

All the activities of the group are from continuing operations.

# Athena Care Homes (UK) Limited

## Consolidated Statement of Income and Retained Earnings

Year ended 31 March 2023

|  |      | 2023       | 2022       |
|--|------|------------|------------|
|  | Note | £          | £          |
| Profit for the financial year and total comprehensive income |      | 3,988,492  | 3,037,790  |
| Dividends paid and payable                                   | 12   | ( 400,000) | ( 200,000) |
| Retained earnings at the start of the year                   |      | 12,068,827 | 9,231,037  |
| Retained earnings at the end of the year                     |      | 15,657,319 | 12,068,827 |

# Athena Care Homes (UK) Limited

## Company Statement of Income and Retained Earnings

Year ended 31 March 2023

|  |      | 2023             | 2022             |
|--|------|------------------|------------------|
|  | Note | £                | £                |
| Profit for the financial year and total comprehensive income |      | 863,018          | 576,533          |
| Dividends paid and payable                                   | 12   | ( 400,000)       | ( 200,000)       |
| <b>Retained earnings at the start of the year</b>            |      | <b>2,827,500</b> | <b>2,450,967</b> |
| <b>Retained earnings at the end of the year</b>              |      | <b>3,290,518</b> | <b>2,827,500</b> |

# Athena Care Homes (UK) Limited

## Consolidated Statement of Financial Position

31 March 2023

|  |      | 2023                 | 2022                 |
|--|------|----------------------|----------------------|
|  | Note | £                    | £                    |
| <b>Fixed assets</b>  |      |                      |                      |
| Tangible assets  | 13   | 25,924,728           | 24,733,729           |
| <b>Current assets</b>  |      |                      |                      |
| Stocks   | 15   | –                    | 30,000               |
| Debtors  | 16   | 6,684,783            | 1,736,987            |
| Cash at bank and in hand                                       |      | 8,311,464            | 10,818,406           |
|  |      | <u>14,996,247</u>    | <u>12,585,393</u>    |
| <b>Creditors: amounts falling due within one year</b>          | 17   | <u>( 5,940,819)</u>  | <u>( 5,121,095)</u>  |
| <b>Net current assets</b>                                      |      | <u>9,055,428</u>     | <u>7,464,298</u>     |
| <b>Total assets less current liabilities</b>                   |      | <u>34,980,156</u>    | <u>32,198,027</u>    |
| <b>Creditors: amounts falling due after more than one year</b> | 18   | <u>( 13,535,237)</u> | <u>( 14,500,000)</u> |
| <b>Provisions</b>  |      |                      |                      |
| Taxation including deferred tax                                | 20   | <u>( 509,600)</u>    | <u>( 351,200)</u>    |
| <b>Net assets</b>  |      | <u>20,935,319</u>    | <u>17,346,827</u>    |
| <b>Capital and reserves</b>                                    |      |                      |                      |
| Called up share capital  | 25   | 100                  | 100                  |
| Merger relief reserve  | 26   | 5,277,900            | 5,277,900            |
| Profit and loss account  | 26   | <u>15,657,319</u>    | <u>12,068,827</u>    |
| <b>Shareholders' funds</b>                                     |      | <u>20,935,319</u>    | <u>17,346,827</u>    |

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

These financial statements were approved by the board of directors and authorised for issue on 20 December 2023 , and are signed on behalf of the board by:

Mrs M Agarwal

Director

Company registration number: 9202115

# Athena Care Homes (UK) Limited

## Company Statement of Financial Position

31 March 2023

|  | Note | 2023<br>£            | 2022<br>£            |
|--|------|----------------------|----------------------|
| <b>Fixed assets</b>  |      |                      |                      |
| Tangible assets  | 13   | 87,986               | 25,192               |
| Investments  | 14   | 13,150,238           | 13,150,236           |
|  |      | <u>13,238,224</u>    | <u>13,175,428</u>    |
| <b>Current assets</b>  |      |                      |                      |
| Stocks   | 15   | –                    | 30,000               |
| Debtors  | 16   | 9,858,356            | 9,790,417            |
| Cash at bank and in hand                                       |      | 7,539,780            | 3,721,697            |
|  |      | <u>17,398,136</u>    | <u>13,542,114</u>    |
| <b>Creditors: amounts falling due within one year</b>          | 17   | <u>( 8,526,705)</u>  | <u>( 4,107,042)</u>  |
| <b>Net current assets</b>                                      |      | <u>8,871,431</u>     | <u>9,435,072</u>     |
| <b>Total assets less current liabilities</b>                   |      | <u>22,109,655</u>    | <u>22,610,500</u>    |
| <b>Creditors: amounts falling due after more than one year</b> | 18   | <u>( 13,535,237)</u> | <u>( 14,500,000)</u> |
| <b>Provisions</b>  |      |                      |                      |
| Taxation including deferred tax                                | 20   | <u>( 5,900)</u>      | <u>( 5,000)</u>      |
| <b>Net assets</b>  |      | <u>8,568,518</u>     | <u>8,105,500</u>     |
| <b>Capital and reserves</b>                                    |      |                      |                      |
| Called up share capital  | 25   | 100                  | 100                  |
| Merger relief reserve  | 26   | 5,277,900            | 5,277,900            |
| Profit and loss account  | 26   | 3,290,518            | 2,827,500            |
| <b>Shareholders' funds</b>                                     |      | <u>8,568,518</u>     | <u>8,105,500</u>     |

The profit for the financial year of the parent company was £ 863,018 (2022: £ 576,533 ).

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

These financial statements were approved by the board of directors and authorised for issue on 20 December 2023 , and are signed on behalf of the board by:

Mrs M Agarwal

Director

Company registration number: 9202115



# Athena Care Homes (UK) Limited

## Consolidated Statement of Cash Flows

Year ended 31 March 2023

|   | 2023                | 2022              |
|---|---------------------|-------------------|
|   | £                   | £                 |
| <b>Cash flows from operating activities</b>                 |                     |                   |
| Profit for the financial year                               | 3,988,492           | 3,037,790         |
| <i>Adjustments for:</i>                                     |                     |                   |
| Depreciation of tangible assets                             | 519,151             | 542,892           |
| Government grant income                                     | —                   | ( 1,569,035)      |
| Other interest receivable and similar income                | ( 8,255)            | ( 154)            |
| Interest payable and similar expenses                       | 659,906             | 343,714           |
| Gains on disposal of tangible assets                        | ( 453)              | —                 |
| Tax on profit   | 1,009,165           | 875,440           |
| Accrued expenses/(income)                                   | 344,904             | ( 29,390)         |
| <i>Changes in:</i>  |                     |                   |
| Stocks  | 30,000              | 40,462            |
| Trade and other debtors                                     | ( 4,968,518)        | 239,738           |
| Trade and other creditors                                   | 501,821             | ( 447,643)        |
| Cash generated from operations                              | 2,076,213           | 3,033,814         |
| Interest paid   | ( 659,906)          | ( 343,714)        |
| Interest received   | 8,255               | 154               |
| Tax paid  | ( 863,392)          | ( 815,346)        |
| Net cash from operating activities                          | 561,170             | 1,874,908         |
| <b>Cash flows from investing activities</b>                 |                     |                   |
| Purchase of tangible assets                                 | ( 1,712,974)        | ( 174,613)        |
| Proceeds from sale of tangible assets                       | 3,277               | —                 |
| Net cash used in investing activities                       | ( 1,709,697)        | ( 174,613)        |
| <b>Cash flows from financing activities</b>                 |                     |                   |
| Proceeds from borrowings                                    | ( 1,000,000)        | ( 1,250,669)      |
| Government grant income                                     | —                   | 1,569,035         |
| Payments of finance lease liabilities                       | 41,585              | —                 |
| Dividends paid  | ( 400,000)          | ( 200,000)        |
| Net cash (used in)/from financing activities                | ( 1,358,415)        | 118,366           |
| <b>Net (decrease)/increase in cash and cash equivalents</b> | <b>( 2,506,942)</b> | <b>1,818,661</b>  |
| <b>Cash and cash equivalents at beginning of year</b>       | <b>10,818,406</b>   | <b>8,999,745</b>  |
| <b>Cash and cash equivalents at end of year</b>             | <b>8,311,464</b>    | <b>10,818,406</b> |

# Athena Care Homes (UK) Limited

## Notes to the Financial Statements

**Year ended 31 March 2023**

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 5, Russel House, Southfields Business Park, Hornsby Way, Laindon, Essex, SS15 6TF.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Disclosure exemptions**

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

#### **Consolidation**

The consolidated financial statements incorporate the financial statements of Athena Care Homes (UK) Limited and all of its subsidiary undertakings. In a prior accounting period, Athena Care Homes (UK) Limited was used to acquire the shares of Athena Care Homes (Gaywood) Limited. The substance of this business combination effected by the new parent company was a merger and as a result, the new parent company and the other party were combined by using merger accounting, as the relative rights of the ultimate shareholders did not alter. The consolidated financial statements incorporate the results of subsequent business combinations using the purchase method. In the Consolidated Statement of Financial Position, the acquirer's identifiable assets, liabilities and contingent liabilities of subsequent business combinations are initially recognised at their fair values at the acquisition date. The results of these acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases. All financial statements are made up to 31 March each year. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiary undertakings to bring the accounting policies used into line with those used by other members of the group. The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of comprehensive income.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from these results. The judgements, estimates and assumptions which have a significant risk of material adjustment to the carrying value of assets and liabilities are: Depreciation of tangible fixed assets: Tangible fixed assets, other than freehold land, are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal value. Trade debtors: The group has recognised impairment provisions in respect of bad and doubtful trade debtors. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

**Revenue recognition**

Turnover from the management of care homes is recognised at the fair value of the consideration receivable for the sale of services provided to external customers during the year in the normal course of business. Turnover is recognised when services are provided to the customer.

**Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

|                       |   |                        |
|-----------------------|---|------------------------|
| Freehold buildings    | - | 2% pa straight line    |
| Plant and machinery   | - | 12.5% pa straight line |
| Fixtures and fittings | - | 20% pa straight line   |
| Motor vehicles        | - | 20% pa straight line   |
| Equipment             | - | 20% pa straight line   |

Freehold land is not subject to depreciation. The residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, 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 in the Consolidated Statement of Comprehensive Income.

**Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

**Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

**Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset.

**Financial instruments**

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. Financial assets: Financial assets comprise cash at bank, short term investments, trade debtors, other debtors, and other loans. These are initially recorded at cost on the date they originate and are subsequently recorded at amortised cost under the effective interest method, if applicable. The company considers evidence of impairment for all individual trade and other debtors, and any resultant impairment is recognised in the Statement of Comprehensive Income. Impairment of financial assets: Impairment provisions are recognised when there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulties of the counterparty, default or significant delays in payment. Impairment provisions represent the difference between the carrying amount of a financial asset and the value of the expected future cash receipts from that asset. Financial liabilities: Financial liabilities comprise other loans, trade creditors, other creditors and accruals and deferred income; these are initially recorded, and subsequently carried, at cost on the date they originate.

**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and deposits repayable on demand with any qualifying financial institution, less overdrafts from any qualifying financial institution repayable on demand together with short term investments. Deposits are repayable on demand if they can be withdrawn at any time without notice and without penalty or if a maturity or period of notice of not more than 24 hours or one working day has been agreed.

**Holiday pay accruals**

A liability is recognised to the extent any unused holiday pay entitlement has accrued at the balance sheet date and has been carried forward to future periods. This is measured at the undiscounted payroll cost of the future holiday entitlement.

#### 4. Turnover

Turnover arises from:

|                                      | 2023       | 2022       |
|--------------------------------------|------------|------------|
|                                      | £          | £          |
| Management of residential care homes | 25,560,496 | 20,533,846 |

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

#### 5. Other operating income

|                         | 2023 | 2022      |
|-------------------------|------|-----------|
|                         | £    | £         |
| Government grant income | —    | 1,569,035 |

#### 6. Operating loss

Operating profit or loss is stated after charging/crediting:

|                                      | 2023    | 2022    |
|--------------------------------------|---------|---------|
|                                      | £       | £       |
| Depreciation of tangible assets      | 519,151 | 542,892 |
| Gains on disposal of tangible assets | ( 453)  | —       |
| Impairment of trade debtors          | 30,000  | 1,684   |

#### 7. Auditor's remuneration

|  | 2023   | 2022   |
|--|--------|--------|
|  | £      | £      |
| Fees payable for the audit of the financial statements | 36,239 | 21,803 |

The auditor's remuneration is inclusive of irrecoverable value added tax. The auditor did not receive any fees for non-audit services .

#### 8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

|                               | 2023 | 2022 |
|-------------------------------|------|------|
|                               | No.  | No.  |
| Care team members             | 585  | 573  |
| Management and administration | 39   | 39   |
|                               | 624  | 612  |

The aggregate payroll costs incurred during the year, relating to the above, were:

|                       | 2023       | 2022       |
|-----------------------|------------|------------|
|                       | £          | £          |
| Wages and salaries    | 11,795,776 | 10,704,563 |
| Social security costs | 900,182    | 778,397    |
| Other pension costs   | 228,819    | 203,595    |
|                       | 12,924,777 | 11,686,555 |

**9. Other interest receivable and similar income**

|  | 2023  | 2022 |
|--|-------|------|
|  | £     | £    |
| Interest on loans and receivables            | 7,836 | —    |
| Other interest receivable and similar income | 419   | 154  |
|  | ----- | ---- |
|  | 8,255 | 154  |
|  | ----- | ---- |

**10. Interest payable and similar expenses**

|  | 2023    | 2022    |
|--|---------|---------|
|  | £       | £       |
| Interest on banks loans and overdrafts                                   | 657,318 | 341,634 |
| Interest on obligations under finance leases and hire purchase contracts | 2,138   | 1,410   |
| Other interest payable and similar charges                               | 450     | 670     |
|  | -----   | -----   |
|  | 659,906 | 343,714 |
|  | -----   | -----   |

**11. Tax on profit****Major components of tax income**

|  | 2023             | 2022           |
|--|------------------|----------------|
|  | £                | £              |
| <b>Current tax:</b>                            |                  |                |
| UK current tax income                          | 850,950          | 802,500        |
| Adjustments in respect of prior periods        | (185)            | ( 260)         |
|  | -----            | -----          |
| Total current tax                              | 850,765          | 802,240        |
|  | -----            | -----          |
| <b>Deferred tax:</b>                           |                  |                |
| Origination and reversal of timing differences | 158,400          | 73,200         |
|  | -----            | -----          |
| <b>Tax on profit</b>                           | <b>1,009,165</b> | <b>875,440</b> |
|  | -----            | -----          |

**Reconciliation of tax expense**

The tax assessed on the profit on ordinary activities for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of 114 % (2022: 19 %).

|  | 2023      | 2022      |
|--|-----------|-----------|
|  | £         | £         |
| Profit on ordinary activities before taxation        | 4,997,657 | 3,913,230 |
|  | -----     | -----     |
| Profit on ordinary activities by rate of tax         | 949,555   | 743,512   |
| Adjustment to tax charge in respect of prior periods | ( 184)    | ( 260)    |
| Effect of expenses not deductible for tax purposes   | 53,585    | 56,540    |
| Effect of capital allowances and depreciation        | ( 32,119) | ( 8,760)  |
| Rounding on tax charge                               | 42        | 183       |
| Deferred tax asset not provided for                  | ( 64)     | —         |
| Sundry adjustments                                   | 124       | ( 57)     |
| Change in tax rate                                   | 38,226    | 84,282    |
|  | -----     | -----     |
| Tax on profit  | 1,009,165 | 875,440   |
|  | -----     | -----     |

## 12. Dividends

2023

£

2022

£

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year )

400,000

200,000

## 13. Tangible assets

| Group                   | Freehold land and<br>buildings<br>£ | Plant and<br>machinery<br>£ | Fixtures and<br>fittings<br>£ | Motor vehicles<br>£ | Equipment<br>£ | Total<br>£         |
|-------------------------|-------------------------------------|-----------------------------|-------------------------------|---------------------|----------------|--------------------|
| <b>Cost</b>             |                                     |                             |                               |                     |                |                    |
| At 1 Apr 2022           | 26,688,198                          | 1,023,191                   | 1,556,702                     | —                   | 294,304        | <b>29,562,395</b>  |
| Additions               | 1,075,608                           | 289,803                     | 230,738                       | 62,830              | 53,995         | <b>1,712,974</b>   |
| Disposals               | ( 2,824)                            | —                           | —                             | —                   | ( 1,046)       | <b>( 3,870)</b>    |
| <b>At 31 Mar 2023</b>   | <b>27,760,982</b>                   | <b>1,312,994</b>            | <b>1,787,440</b>              | <b>62,830</b>       | <b>347,253</b> | <b>31,271,499</b>  |
| <b>Depreciation</b>     |                                     |                             |                               |                     |                |                    |
| At 1 Apr 2022           | 2,688,437                           | 779,216                     | 1,140,556                     | —                   | 220,457        | <b>4,828,666</b>   |
| Charge for the year     | 260,459                             | 81,620                      | 133,511                       | 11,189              | 32,372         | <b>519,151</b>     |
| Disposals               | —                                   | —                           | —                             | —                   | ( 1,046)       | <b>( 1,046)</b>    |
| <b>At 31 Mar 2023</b>   | <b>2,948,896</b>                    | <b>860,836</b>              | <b>1,274,067</b>              | <b>11,189</b>       | <b>251,783</b> | <b>5,346,771</b>   |
| <b>Carrying amount</b>  |                                     |                             |                               |                     |                |                    |
| <b>At 31 Mar 2023</b>   | <b>24,812,086</b>                   | <b>452,158</b>              | <b>513,373</b>                | <b>51,641</b>       | <b>95,470</b>  | <b>25,924,728</b>  |
| At 31 Mar 2022          | 23,999,761                          | 243,975                     | 416,146                       | —                   | 73,847         | 24,733,729         |
| <b>Company</b>          |                                     |                             | Fixtures and<br>fittings<br>£ | Motor vehicles<br>£ | Equipment<br>£ | <b>Total<br/>£</b> |
| <b>Cost</b>             |                                     |                             |                               |                     |                |                    |
| At 1 April 2022         |                                     |                             | 9,997                         | —                   | 33,229         | <b>43,226</b>      |
| Additions               |                                     |                             | 400                           | 62,830              | 21,422         | <b>84,652</b>      |
| Disposals               |                                     |                             | —                             | —                   | ( 1,046)       | <b>( 1,046)</b>    |
| <b>At 31 March 2023</b> |                                     |                             | <b>10,397</b>                 | <b>62,830</b>       | <b>53,605</b>  | <b>126,832</b>     |
| <b>Depreciation</b>     |                                     |                             |                               |                     |                |                    |
| At 1 April 2022         |                                     |                             | 4,280                         | —                   | 13,754         | <b>18,034</b>      |
| Charge for the year     |                                     |                             | 1,929                         | 11,189              | 8,740          | <b>21,858</b>      |
| Disposals               |                                     |                             | —                             | —                   | ( 1,046)       | <b>( 1,046)</b>    |
| <b>At 31 March 2023</b> |                                     |                             | <b>6,209</b>                  | <b>11,189</b>       | <b>21,448</b>  | <b>38,846</b>      |
| <b>Carrying amount</b>  |                                     |                             |                               |                     |                |                    |
| <b>At 31 March 2023</b> |                                     |                             | <b>4,188</b>                  | <b>51,641</b>       | <b>32,157</b>  | <b>87,986</b>      |
| At 31 March 2022        |                                     |                             | 5,717                         | —                   | 19,475         | 25,192             |

## 14. Investments

The group has no investments.



| <b>Company</b>                    | <b>Shares in group undertakings</b> |
|-----------------------------------|-------------------------------------|
|                                   | <b>£</b>                            |
| <b>Cost</b>                       |                                     |
| At 1 April 2022                   | 13,150,236                          |
| Additions                         | 2                                   |
| <b>At 31 March 2023</b>           | <b>13,150,238</b>                   |
| <b>Impairment</b>                 |                                     |
| At 1 April 2022 and 31 March 2023 | —                                   |
| <b>Carrying amount</b>            |                                     |
| <b>At 31 March 2023</b>           | <b>13,150,238</b>                   |
| At 31 March 2022                  | 13,150,236                          |

### Subsidiaries

Details of the investments in which the parent company has an interest of 20% or more are as follows:

|  | <b>Class of share</b> | <b>Percentage of shares held</b> |
|--|-----------------------|----------------------------------|
| <b>Subsidiary undertakings</b>         |                       |                                  |
| Athena Care Homes (Gaywood) Limited    | Ordinary              | 100                              |
| Athena Care Homes (Kings Lynn) Limited | Ordinary              | 100                              |
| Athena Care Homes (March) Limited      | Ordinary              | 100                              |
| Athena Care Homes (Bretton) Limited    | Ordinary              | 100                              |
| Athena Care Homes (Monmouth) Limited   | Ordinary              | 100                              |
| Athena Care Homes (Chesterton) Limited | Ordinary              | 100                              |
| Athena Care Homes (Arbury) Limited     | Ordinary              | 100                              |

Each company trades as care home operators. In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the company's balance sheet. The percentage referred to is in respect of both the nominal value and voting rights of the share capital.

### 15. Stocks

|                                     | <b>Group</b> |             | <b>Company</b> |             |
|-------------------------------------|--------------|-------------|----------------|-------------|
|                                     | <b>2023</b>  | <b>2022</b> | <b>2023</b>    | <b>2022</b> |
|                                     | <b>£</b>     | <b>£</b>    | <b>£</b>       | <b>£</b>    |
| Finished goods and goods for resale | —            | 30,000      | —              | 30,000      |

### 16. Debtors

|                                    | <b>Group</b>     |                  | <b>Company</b>   |                  |
|------------------------------------|------------------|------------------|------------------|------------------|
|                                    | <b>2023</b>      | <b>2022</b>      | <b>2023</b>      | <b>2022</b>      |
|                                    | <b>£</b>         | <b>£</b>         | <b>£</b>         | <b>£</b>         |
| Trade debtors                      | 2,534,406        | 1,326,789        | —                | —                |
| Amounts owed by group undertakings | —                | —                | 5,572,490        | 9,365,945        |
| Prepayments and accrued income     | 409,975          | 408,948          | 60,683           | 90,872           |
| Corporation tax repayable          | —                | —                | 503,400          | 333,600          |
| Directors loan account             | 221,783          | —                | 221,783          | —                |
| Other debtors                      | 3,518,619        | 1,250            | 3,500,000        | —                |
|                                    | <b>6,684,783</b> | <b>1,736,987</b> | <b>9,858,356</b> | <b>9,790,417</b> |

**17. Creditors: amounts falling due within one year**

|  | <b>Group</b>     |             | <b>Company</b>   |             |
|--|------------------|-------------|------------------|-------------|
|  | <b>2023</b>      | <b>2022</b> | <b>2023</b>      | <b>2022</b> |
|  | <b>£</b>         | <b>£</b>    | <b>£</b>         | <b>£</b>    |
| Bank loans   | <b>1,000,000</b> | 1,000,000   | <b>1,000,000</b> | 1,000,000   |
| Trade creditors  | <b>1,969,563</b> | 1,741,740   | <b>108,090</b>   | 204,201     |
| Amounts owed to group undertakings                           | –                | –           | <b>7,111,073</b> | 2,827,675   |
| Accruals and deferred income                                 | <b>2,133,024</b> | 1,574,441   | <b>289,398</b>   | 73,353      |
| Corporation tax  | <b>612,202</b>   | 624,829     | –                | –           |
| Social security and other taxes                              | <b>204,886</b>   | 158,982     | –                | –           |
| Obligations under finance leases and hire purchase contracts | <b>6,348</b>     | –           | <b>6,348</b>     | –           |
| Other creditors  | <b>14,796</b>    | 21,103      | <b>11,796</b>    | 1,813       |
|  | <b>5,940,819</b> | 5,121,095   | <b>8,526,705</b> | 4,107,042   |

The bank loan is secured by a first legal charge over the group's freehold land and buildings and by a fixed and floating charge over the group's current and future assets.

**18. Creditors: amounts falling due after more than one year**

|  | <b>Group</b>      |             | <b>Company</b>    |             |
|--|-------------------|-------------|-------------------|-------------|
|  | <b>2023</b>       | <b>2022</b> | <b>2023</b>       | <b>2022</b> |
|  | <b>£</b>          | <b>£</b>    | <b>£</b>          | <b>£</b>    |
| Bank loans   | <b>13,500,000</b> | 14,500,000  | <b>13,500,000</b> | 14,500,000  |
| Obligations under finance leases and hire purchase contracts | <b>35,237</b>     | –           | <b>35,237</b>     | –           |
|  | <b>13,535,237</b> | 14,500,000  | <b>13,535,237</b> | 14,500,000  |

The bank loan is secured by a first legal charge over the group's freehold land and buildings and by a fixed and floating charge over the group's current and future assets.

At the year end the group were in breach of one of the bank loan covenants. The breach was due to a loan to a connected company. Subsequently this loan has been repaid by the connected party, meaning the breach has been remedied. The total bank loan outstanding at the year end was £14,500,000.

**19. Finance leases and hire purchase contracts**

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

|  | <b>Group</b>  |             | <b>Company</b> |             |
|--|---------------|-------------|----------------|-------------|
|  | <b>2023</b>   | <b>2022</b> | <b>2023</b>    | <b>2022</b> |
|  | <b>£</b>      | <b>£</b>    | <b>£</b>       | <b>£</b>    |
| Not later than 1 year                        | <b>6,348</b>  | –           | <b>6,348</b>   | –           |
| Later than 1 year and not later than 5 years | <b>35,237</b> | –           | <b>35,237</b>  | –           |
|  | <b>41,585</b> | –           | <b>41,585</b>  | –           |

## 20. Provisions

| Group            | Deferred tax<br>(note 21)<br>£ |
|------------------|--------------------------------|
| At 1 April 2022  | 351,200                        |
| Additions        | 158,400                        |
|                  | -----                          |
| At 31 March 2023 | 509,600                        |
|                  | -----                          |
| Company          | Deferred tax<br>(note 21)<br>£ |
| At 1 April 2022  | 5,000                          |
| Additions        | 900                            |
|                  | -----                          |
| At 31 March 2023 | 5,900                          |
|                  | -----                          |

## 21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

|                                  | Group   |         | Company |       |
|----------------------------------|---------|---------|---------|-------|
|                                  | 2023    | 2022    | 2023    | 2022  |
|                                  | £       | £       | £       | £     |
| Included in provisions (note 20) | 509,600 | 351,200 | 5,900   | 5,000 |
|                                  | -----   | -----   | -----   | ----- |

The deferred tax account consists of the tax effect of timing differences in respect of:

|   | Group    |          | Company  |          |
|---|----------|----------|----------|----------|
|   | 2023     | 2022     | 2023     | 2022     |
|   | £        | £        | £        | £        |
| Accelerated capital allowances          | 515,000  | 356,600  | 7,000    | 6,200    |
| Deferred tax - other timing differences | ( 5,400) | ( 5,400) | ( 1,100) | ( 1,200) |
|   | -----    | -----    | -----    | -----    |
|   | 509,600  | 351,200  | 5,900    | 5,000    |
|   | -----    | -----    | -----    | -----    |

## 22. Employee benefits

### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 228,819 (2022: £ 203,595 ).

## 23. Government grants

The amounts recognised in the financial statements for government grants are as follows:

|   | Group |           | Company |      |
|---|-------|-----------|---------|------|
|   | 2023  | 2022      | 2023    | 2022 |
|   | £     | £         | £       | £    |
| Recognised in other operating income:           |       |           |         |      |
| Government grants recognised directly in income | —     | 1,569,035 | —       | —    |
|   | ---   | -----     | ---     | ---  |

## 24. Financial instruments

The group holds financial instruments to finance its operations and manages risk arising from these operations and its sources of finance in accordance with its accounting policies. In addition, various financial instruments such as trade debtors and trade creditors arise directly from the group's operations. Operational and working capital requirements are funded principally out of bank loans, issued share capital and retained profits.

## 25. Called up share capital

### Issued, called up and fully paid

|                             | 2023 |     | 2022 |     |
|-----------------------------|------|-----|------|-----|
|                             | No.  | £   | No.  | £   |
| Ordinary shares of £ 1 each | 100  | 100 | 100  | 100 |
|                             | ---  | --- | ---  | --- |

## 26. Reserves

Merger relief reserve - This reserve arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time . Profit and loss account - This reserve records retained earnings and accumulated losses.

## 27. Analysis of changes in net debt

|                          | At 1 Apr 2022 | Cash flows   | At 31 Mar 2023 |
|--------------------------|---------------|--------------|----------------|
|                          | £             | £            | £              |
| Cash at bank and in hand | 10,818,406    | (2,506,942)  | 8,311,464      |
| Debt due within one year | (1,000,000)   | (6,348)      | (1,006,348)    |
| Debt due after one year  | (14,500,000)  | 964,763      | (13,535,237)   |
|                          | -----         | -----        | -----          |
|                          | ( 4,681,594)  | ( 1,548,527) | ( 6,230,121)   |
|                          | -----         | -----        | -----          |

## 28. Directors' advances, credits and guarantees

At 31 March 2023 Mrs M Agarwal owed the company £221,783 (2022 - £nil. Interest of £369 was charged on this loan. The loan has been repaid since the year end.

## 29. Controlling party

No individual has a controlling interest in the company or the group .

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