

**HARTFORD CARE GROUP LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

# HARTFORD CARE GROUP LIMITED

## COMPANY INFORMATION

### Directors

S F Gavin  
I M Pearman  
L C Levin  
D S Levin  
M Fisch  
K A Shaw (appointed 6 July 2022)  
A H Smith (appointed 6 July 2022)

### Registered number

09262881

### Registered office

2nd Floor  
Clifton House  
Bunnian Place  
Basingstoke  
RG21 7JE

### Independent auditors

James Cowper Kreston  
Chartered Accountants and Statutory Auditor  
Reading Bridge House  
George Street  
Reading  
Berkshire  
RG1 8LS

**HARTFORD CARE GROUP LIMITED**

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## HARTFORD CARE GROUP LIMITED

### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

#### BUSINESS REVIEW

The Group achieved a turnover of £30.3 million for the year to 31 March 2022 from its principal business of operating residential and nursing care homes for the elderly. This represented growth of 7% compared to the previous year and was due to organic growth coupled with the full year impact of the Ashley Grange Nursing Home acquisition in November 2020. The average occupancy for the year was 83.8% (2021: 85.7%).

Operating profit (excluding fair value movements) increased by 12% to £8.1 million which equated to 26.7% of turnover (2021: 25.4%).

The cash position of the Group improved by £2.7 million during the year to £11.0 million on 31 March 2022. All banking covenants continued to be met and the debt servicing ratio improved from 3.6 in 2021 to 2.9 at this year end.

#### PRINCIPAL RISKS AND UNCERTAINTIES

There are a variety of regulatory, political and economic factors that impact the way we manage our business and influence how we not only maintain, but continually strive to improve, the quality of care that we deliver. The following principal risks and uncertainties for the Group have been identified:

##### Regulatory environment

The Group's activities are subject to a high level of regulation and inspection by the Care Quality Commission. The risk from the negative effects of any non-compliance is the impact which it may have on the Group's reputation and profits. Inspections of the Group's care homes take place on a regular basis. The risks are mitigated by a strict management reporting regime that is part of a rigorous process of internal control over quality and compliance, along with evolving policies and practices that take into account changes in regulatory obligations.

##### Competition

Competition comes from the significant investment in the private pay market in the South of England where the number of care home businesses is growing. This is driven by the ageing demographics and the increasing demand for residential and dementia care. The risk of competition is mitigated by a tight focus on maintaining quality standards and adherence to the Group's core values of Care, Comfort and Companionship.

##### Staffing

The recruitment and retention of suitably qualified care staff is fundamental to running a successful business in the care sector. As widely publicised by the media, the competition for staff has become more challenging post Covid. In order to recognise everything staff did during the pandemic and acknowledge that as a result of Covid, they continue to have extra responsibilities, the Group became a Real Living Wage Employer in April 2022. The Real Living Wage is an independently set minimum hourly rate of pay, which is based on what people require to meet every day needs. This is a positive way to thank our team and is also helping the Group recruit and retain staff in a very competitive market with a particularly high number of job vacancies.

In addition, a series of initiatives have been implemented to support recruitment and retention underpinned by high quality training and a value based culture. Hartford Care Group also continues to invest in new technology in its homes to improve the lives of both residents and staff.

##### Financial risks

The principal financial risks faced by the Group are liquidity risk and interest rate risk. Borrowing facilities in the form of bank loans and a revolving credit facility are secured on the assets of the business. The Group prepares regular cash flow forecasts taking into account the predictable operational revenue and cost streams, and the debt servicing ratios are managed in line with bank covenants. The directors do not perceive that the servicing of debt poses any significant risk to the Group given its size in relation to the Group's net assets. In addition, the Group has put in place an interest swap to fix the interest rate on the £35 million loan which was taken out in 2020.

# HARTFORD CARE GROUP LIMITED

## GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### FINANCIAL KEY PERFORMANCE INDICATORS

The key performance indicators of the Group have been identified as follows:

	2022	2021	Change	
Turnover	£30,317,265	£28,450,018		6.6%
Occupancy Rate		83.8%	85.7%	(2.2)%
Operating profit*		£8,109,373	£7,225,921	12.2%
Operating profit % of turnover			26.7%	25.4%
Net assets		£44,847,166	£39,053,865	14.8%
Tangible fixed assets	£76,099,798	£75,887,775		0.3%
Debt servicing ratio		2.9		3.6

\* adjusted to exclude fair value movements.

This report was approved by the board and signed on its behalf.

.....  
**K A Shaw**

Director

Date: 31 August 2022

## HARTFORD CARE GROUP LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

#### Results and dividends

The profit for the year, after taxation, amounted to £5,793,301 (2021 - £5,145,538).

No dividends were declared in the current or prior period.

#### Directors

The directors who served during the year were:

S F Gavin  
I M Pearman  
L C Levin  
D S Levin  
M Fisch

#### Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Future developments

These matters have been discussed in the Strategic report.

#### Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

**HARTFORD CARE GROUP LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Auditors**

The auditors, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

.....  
**K A Shaw**

Director

Date: 31 August 2022

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARTFORD CARE GROUP LIMITED**

**Opinion**

We have audited the financial statements of Hartford Care Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022, which comprise the Group Profit and loss account, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity 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 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 Group's and of the parent Company's affairs as at 31 March 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARTFORD CARE GROUP LIMITED (CONTINUED)

**Opinion 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 Group 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 Group 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 Group 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 set out on page 3, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARTFORD CARE GROUP LIMITED (CONTINUED)

**Auditors' 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 Auditors' 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 Group financial statements

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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 Auditors' 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 Auditors' 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.

Alexander Peal BSc (Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of

**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

Reading Bridge House  
George Street  
Reading  
Berkshire  
RG1 8LS

9 September 2022

HARTFORD CARE GROUP LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 as restated £
Turnover	4	30,317,265	28,450,018
Cost of sales		(16,991,635)	(16,115,656)
<b>Gross profit</b>		<b>13,325,630</b>	<b>12,334,362</b>
Administrative expenses		(7,155,115)	(6,220,969)
Other operating income		1,938,858	1,112,528
Fair value movements		1,456,717	73,876
<b>Operating profit</b>	7	<b>9,566,090</b>	<b>7,299,797</b>
Interest payable and similar expenses	11	(1,034,152)	(1,101,263)
<b>Profit before tax</b>		<b>8,531,938</b>	<b>6,198,534</b>
Tax on profit	12	(2,738,637)	(1,052,996)
<b>Profit for the financial year</b>		<b>5,793,301</b>	<b>5,145,538</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent		5,793,301	5,145,538
		<b>5,793,301</b>	<b>5,145,538</b>

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated profit and loss account.

The notes on pages 15 to 37 form part of these financial statements.

**HARTFORD CARE GROUP LIMITED**  
**REGISTERED NUMBER: 09262881**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	13	873,823	1,022,283
Tangible assets	14	76,099,798	75,887,775
Investments	15	-	51,270
		<u>76,973,621</u>	<u>76,961,328</u>
<b>Current assets</b>			
Stocks	16	9,784	132,987
Debtors: amounts falling due after more than one year	17	1,119,426	-
Debtors: amounts falling due within one year	17	1,849,289	887,689
Bank and cash balances		11,012,898	8,320,921
		<u>13,991,397</u>	<u>9,341,597</u>
Creditors: amounts falling due within one year	18	(7,363,939)	(7,403,964)
<b>Net current assets</b>		<u>6,627,458</u>	<u>1,937,633</u>
<b>Total assets less current liabilities</b>		<u>83,601,079</u>	<u>78,898,961</u>
Creditors: amounts falling due after more than one year	19	(34,723,752)	(37,096,212)
<b>Provisions for liabilities</b>			
Deferred taxation	22	(4,030,161)	(2,748,884)
		<u>(4,030,161)</u>	<u>(2,748,884)</u>
<b>Net assets</b>		<u><u>44,847,166</u></u>	<u><u>39,053,865</u></u>
<b>Capital and reserves</b>			
Called up share capital	23	200	200
Share premium account	24	7,941,623	7,941,623
Revaluation reserve	24	7,342,847	7,347,242
Capital redemption reserve	24	34	34
Profit and loss account	24	29,562,462	23,764,766
		<u><u>44,847,166</u></u>	<u><u>39,053,865</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....  
**K A Shaw**

Director

Date: 31 August 2022

The notes on pages 15 to 37 form part of these financial statements.

HARTFORD CARE GROUP LIMITED  
REGISTERED NUMBER: 09262881

CONSOLIDATED BALANCE SHEET (CONTINUED)  
AS AT 31 MARCH 2022

**HARTFORD CARE GROUP LIMITED**  
**REGISTERED NUMBER: 09262881**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	14	118,804	86,253
Investments	15	49,606,619	48,920,095
		<u>49,725,423</u>	<u>49,006,348</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	17	32,915,833	30,598,890
Debtors: amounts falling due within one year	17	1,125,699	969,492
Bank and cash balances		8,981,346	6,826,061
		<u>43,022,878</u>	<u>38,394,443</u>
Creditors: amounts falling due within one year	18	(2,708,962)	(2,573,915)
		<u>40,313,916</u>	<u>35,820,528</u>
<b>Net current assets</b>			
		<u>90,039,339</u>	<u>84,826,876</u>
<b>Total assets less current liabilities</b>			
Creditors: amounts falling due after more than one year	19	(51,343,301)	(50,336,329)
<b>Provisions for liabilities</b>			
Deferred taxation	22	(18,044)	(6,074)
		<u>(18,044)</u>	<u>(6,074)</u>
<b>Net assets</b>			
		<u><u>38,677,994</u></u>	<u><u>34,484,473</u></u>
<b>Capital and reserves</b>			
Called up share capital	23	200	200
Share premium account	24	7,941,623	7,941,623
Capital redemption reserve	24	34	34
Profit and loss account	24	30,736,137	26,542,616
		<u><u>38,677,994</u></u>	<u><u>34,484,473</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....  
**K A Shaw**

Director

Date: 31 August 2022

The notes on pages 15 to 37 form part of these financial statements.

**HARTFORD CARE GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Capital redemption reserve</b>	<b>Revaluation reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£	£	£
At 1 April 2021	200	7,941,623	34	7,347,242	23,764,766	39,053,865
Profit for the year	-	-	-	-	5,793,301	5,793,301
Transfer from revaluation reserve	-	-	-	-	4,395	4,395
Transfer to profit and loss account	-	-	-	(4,395)	-	(4,395)
<b>At 31 March 2022</b>	<b>200</b>	<b>7,941,623</b>	<b>34</b>	<b>7,342,847</b>	<b>29,562,462</b>	<b>44,847,166</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Capital redemption reserve</b>	<b>Revaluation reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£	£	£
At 1 April 2020	200	7,941,623	34	7,347,242	18,619,228	33,908,327
Profit for the year	-	-	-	-	5,145,538	5,145,538
<b>At 31 March 2021</b>	<b>200</b>	<b>7,941,623</b>	<b>34</b>	<b>7,347,242</b>	<b>23,764,766</b>	<b>39,053,865</b>

The notes on pages 15 to 37 form part of these financial statements.

HARTFORD CARE GROUP LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2021	200	7,941,623	34	26,542,616	34,484,473
Profit for the year	-	-	-	4,193,521	4,193,521
<b>At 31 March 2022</b>	<b>200</b>	<b>7,941,623</b>	<b>34</b>	<b>30,736,137</b>	<b>38,677,994</b>

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2020	200	7,941,623	34	3,647,547	11,589,404
Profit for the year	-	-	-	22,895,069	22,895,069
<b>At 31 March 2021</b>	<b>200</b>	<b>7,941,623</b>	<b>34</b>	<b>26,542,616</b>	<b>34,484,473</b>

The notes on pages 15 to 37 form part of these financial statements.



HARTFORD CARE GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	5,793,301	5,145,538
<b>Adjustments for:</b>		
Amortisation of intangible assets	148,460	159,798
Depreciation of tangible assets	763,465	774,561
Reversal of previously impaired fixed assets	-	120,916
Loss on disposal of tangible assets	(4,637)	1,064
Interest paid	1,034,152	1,101,263
Taxation charge	2,738,637	1,052,996
Decrease in stocks	123,203	1,997
(Increase) in debtors	(961,600)	(209,001)
(Decrease) in creditors	(132,466)	(211,344)
Net fair value (gains) recognised in P&L	(1,456,717)	(73,876)
Corporation tax (paid)	(1,350,495)	(1,181,323)
<b>Net cash generated from operating activities</b>	<b>6,695,303</b>	<b>6,682,589</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(984,351)	(597,235)
Sale of tangible fixed assets	13,500	-
Sale of unlisted and other investments	51,270	-
Acquisition of subsidiaries	-	(2,762,605)
<b>Net cash from investing activities</b>	<b>(919,581)</b>	<b>(3,359,840)</b>
<b>Cash flows from financing activities</b>		
New secured loans	-	3,120,000
Repayment of loans	(2,049,593)	(3,533,986)
Interest paid	(1,034,152)	(1,300,492)
<b>Net cash used in financing activities</b>	<b>(3,083,745)</b>	<b>(1,714,478)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,691,977</b>	<b>1,608,271</b>
Cash and cash equivalents at beginning of year	8,320,921	6,712,650
<b>Cash and cash equivalents at the end of year</b>	<b>11,012,898</b>	<b>8,320,921</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	11,012,898	8,320,921

The notes on pages 15 to 37 form part of these financial statements.

## HARTFORD CARE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

#### 1. General information

Hartford Care Group Limited is a private company, incorporated in England and limited by shares. The registered office of the company is 2nd Floor, Clifton House, Bunnian Place, Basingstoke, RG21 7JE.

Details of the Group's operations and of its principal activities are disclosed in the Strategic Report on page 1 of the accounts.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and loss account in these financial statements.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 14 October 2014.

##### 2.3 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentational currency is GBP.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

**2. Accounting policies (continued)**

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.5 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated profit and loss account over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**2.6 Tangible fixed assets**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

**2. Accounting policies (continued)**

**2.6 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property improvements	- 5% - 10% per annum on cost
Plant and machinery	- 5% - 10% per annum on cost
Motor vehicles	- 20% per annum on cost
Fixtures and fittings	- 10% - 50% per annum on cost
Office equipment	- 20% - 50% per annum on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.7 Revaluation of tangible fixed assets**

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

**2.8 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated profit and loss account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**2.9 Stocks**

Stocks are related to the leaseholds held for sale at the year end, and are stated at the lower of cost and net realisable value, being the estimated selling price less costs to sell.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

**2. Accounting policies (continued)**

**2.10 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.11 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.12 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

**2.13 Creditors**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

**2. Accounting policies (continued)**

**2.14 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated profit and loss account in the same period as the related expenditure.

**2.15 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.16 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

**2.17 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

**Defined benefit scheme**

The Group operated a defined benefit pension scheme before disposing of the scheme's assets and liabilities in the year. The regular pension cost is charged to the Profit and Loss Account and is based on the expected pension costs over the service life of the employees.

As the scheme is closed the current service cost under the projected unit method will increase as the members of the scheme approach retirement. The regular pension cost is charged to the Profit and Loss Account and is based on the expected pension costs over the service life of the employees. The contributions to the scheme are determined by a qualified independent actuary on the basis of triennial actuarial valuations. The Group has adopted in full the provisions of FRS 102.

**2.18 Holiday pay accrual**

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

**2.19 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

**2. Accounting policies (continued)**

**2.20 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**2.21 Current and deferred taxation**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.22 Hedge accounting**

The Group uses variable to fixed interest rate swaps to manage its exposure to fair value risk on its external loans. These derivatives are measured at fair value at each balance sheet date.

To the extent the cash flow hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the year.

Gains and losses on the hedging instruments and the hedged items are recognised in profit or loss for the year. When a hedged item is an unrecognised firm commitment, the cumulative hedging gain or loss on the hedged item is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**2. Accounting policies (continued)**

**2.23 Presentation**

There has been a reclassification of some profit or loss items in these financial statements and the comparative information has been restated in line with FRS 102 section 3.12. The affected disclosures are the consolidated profit or loss, other operating income (note 5) and employee costs (note 9). This change does not have any impact on profit or reserves.

**3. Judgements in applying accounting policies 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 for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes may differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Taxation (see note 12)

The Group establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience with previous tax submissions. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Tangible fixed assets (see note 14)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

Operating lease commitments (see note 26)

The Group has entered into commercial lease contracts and as a lessee it obtains use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Group to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**4. Turnover**

The whole of the turnover is attributable to the principal activity of the Group, the operation of residential care homes.

All turnover arose within the United Kingdom.



HARTFORD CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

5. Other operating income

	2022 £	2021 as restated £
Government grants receivable	946,867	1,100,697
Income from unlisted investments	991,991	11,831
	<u>1,938,858</u>	<u>1,112,528</u>

6. Fair value movements

	2022 £	2021 £
Fair value movement on financial instruments	<u>(1,456,717)</u>	<u>(73,876)</u>

7. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	763,465	774,561
Amortisation of intangible assets, including goodwill	148,460	159,798
Operating lease rentals	15,982	15,702
Defined contribution pension cost	307,505	291,268
Defined benefit pension cost	<u>63,583</u>	<u>109,000</u>

8. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>96,792</u>	<u>96,000</u>

**Fees payable to the Group's auditor and its associates in respect of:**

Other services relating to taxation	23,310	27,342
All other services	-	14,040
	<u>23,310</u>	<u>41,382</u>

**HARTFORD CARE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**9. Employees**

Staff costs were as follows:

	<b>Group 2022 £</b>	Group 2021 as restated £
Wages and salaries	<b>16,655,333</b>	15,837,066
Social security costs	<b>1,142,862</b>	1,052,685
Cost of defined contribution scheme	<b>307,505</b>	291,268
	<b><u>18,105,700</u></b>	<u>17,181,019</u>

During the year under review there was a defined benefit pension scheme cost of £63,583 (2021: £109,000), this scheme is closed and no current employees are enrolled in the scheme.

A provision of £nil (2021: £800,000) is held for the settlement of the defined benefit pension scheme. The assets and liabilities of the scheme were disposed of during the year.

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

	<b>2022 No.</b>	2021 No.
Directors	<b>5</b>	5
Operations	<b>685</b>	714
Administration and finance	<b>18</b>	16
	<b><u>708</u></b>	<u>735</u>

**10. Directors' remuneration**

	<b>2022 £</b>	2021 £
Directors' emoluments	<b>502,682</b>	492,840
Group contributions to defined contribution pension schemes	<b>-</b>	4,000
	<b><u>502,682</u></b>	<u>496,840</u>

The highest paid director received remuneration of £421,848 (2021 - £410,430).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2021 - £4,000).

All directors and certain senior employees who have responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. Total remuneration in respect of these individuals, including employer national insurance and pension contributions is £1,279,155 (2021: £1,221,124).



HARTFORD CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

11. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	<u>1,034,152</u>	<u>1,101,263</u>

12. Taxation

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	1,350,536	1,167,794
Adjustments in respect of previous periods	106,824	(91,920)
	<u>1,457,360</u>	<u>1,075,874</u>
<b>Total current tax</b>	<u>1,457,360</u>	<u>1,075,874</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	262,987	(22,686)
Adjustments in respect of prior periods	1	(192)
Effect of tax rate change on opening balance	1,018,289	-
<b>Total deferred tax</b>	<u>1,281,277</u>	<u>(22,878)</u>
<b>Taxation on profit on ordinary activities</b>	<u>2,738,637</u>	<u>1,052,996</u>

HARTFORD CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>8,531,938</u>	<u>6,198,534</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,621,068	1,177,721
<b>Effects of:</b>		
Capital allowances for year lower than/(in excess of) depreciation	(21,638)	13,271
Adjustments to tax charge in respect of prior periods	106,825	(92,112)
Capital gains	52,845	(55,435)
Other differences (including exempt income) leading to an increase/(decrease) in the tax charge	(105,137)	(8,885)
Deferred tax not recognised	75,514	18,436
Remeasurement of deferred tax for changes in tax rates	1,009,160	-
<b>Total tax charge for the year</b>	<u>2,738,637</u>	<u>1,052,996</u>

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the main corporation tax rate will increase to 25%. As a result of the rate change the corporation tax expense for the period has increased and the deferred tax liability has increased. The impact of these changes is not expected to be material.

HARTFORD CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

13. Intangible assets

Group

	Goodwill £	Negative goodwill £	Total £
<b>Cost</b>			
At 1 April 2021	1,577,628	(192,679)	1,384,949
At 31 March 2022	1,577,628	(192,679)	1,384,949
<b>Amortisation</b>			
At 1 April 2021	367,483	(4,817)	362,666
Charge for the year	167,728	(19,268)	148,460
At 31 March 2022	535,211	(24,085)	511,126
<b>Net book value</b>			
At 31 March 2022	1,042,417	(168,594)	873,823
At 31 March 2021	1,210,145	(187,862)	1,022,283

HARTFORD CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

14. Tangible fixed assets

Group

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Plant and machinery £	Office equipment £	Total £
<b>Cost or valuation</b>						
At 1 April 2021	73,230,645	78,406	5,116,218	867,172	305,215	79,597,656
Additions	-	30,999	752,767	25,371	175,214	984,351
Disposals	-	(28,000)	-	-	-	(28,000)
		81,405				
At 31 March 2022	73,230,645		5,868,985	892,543	480,429	80,554,007
<b>Depreciation</b>						
At 1 April 2021	454,220	59,002	2,550,778	488,723	157,158	3,709,881
Charge for the year	30,779	11,643	432,255	162,424	126,364	763,465
Disposals	-	(19,137)	-	-	-	(19,137)
		51,508				
At 31 March 2022	484,999		2,983,033	651,147	283,522	4,454,209
<b>Net book value</b>						
At 31 March 2022	72,745,646	29,897	2,885,952	241,396	196,907	76,099,798
		19,404				
At 31 March 2021	72,776,425		2,565,440	378,449	148,057	75,887,775

HARTFORD CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

14. Tangible fixed assets (continued)

Company

	Motor vehicles	Office equipment	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 April 2021	61,616	103,214	164,830
Additions	30,999	58,915	89,914
Disposals	(28,000)	-	(28,000)
At 31 March 2022	64,615	162,129	226,744
<b>Depreciation</b>			
At 1 April 2021	46,407	32,170	78,577
Charge for the year	9,965	38,535	48,500
Disposals	(19,137)	-	(19,137)
At 31 March 2022	37,235	70,705	107,940
<b>Net book value</b>			
At 31 March 2022	27,380	91,424	118,804
At 31 March 2021	15,209	71,044	86,253

15. Fixed asset investments

Group

	Unlisted investments
	£
At 1 April 2021	51,270
Amounts written off	(51,270)
At 31 March 2022	-



# HARTFORD CARE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2021	48,920,095
Transfers intra group	686,524
At 31 March 2022	<u>49,606,619</u>

### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Whites Investments Limited	Holding company	Ordinary	100 %
Whites Limited	Investment company	Ordinary	100 %
Hartford Care Limited	Care home operator	Ordinary	100 %
Hartford Care (2) Limited	Care home operator	Ordinary	100 %
Hartford Care (3) Limited	Holding company	Ordinary	100 %
Hartford Care (4) Limited	Care home operator	Ordinary	100 %
Hartford Care (5) Limited	Care home operator	Ordinary	100 %
Hartford Care (Southern) Limited *	Care home operator	Ordinary	100 %
Hartford Care (South West) Limited *	Care home operator	Ordinary	100 %
W H Estates Limited *	Holding company	Ordinary	100 %
Burnham Lodge Limited	Care home operator	Ordinary	100 %
Scio Healthcare Limited	Care home operator	Ordinary	100 %
Courtdrift Limited	Leasehold property vendor	Ordinary	100 %
H. W. Group Limited	Care home operator	Ordinary	100 %
Crispin Homes Limited *	Care home operator	Ordinary	100 %
Belford Care Limited	Care home operator	Ordinary	100 %
Ashley Grange Nursing Home Limited	Care home operator	Ordinary	100 %

\* denotes indirect shareholding in a subsidiary.

	Group 2022 £	Group 2021 £
Raw materials and consumables	<u>9,784</u>	<u>132,987</u>

HARTFORD CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

17. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
<b>Due after more than one year</b>				
Amounts owed by group undertakings	-	-	31,796,407	30,598,890
Financial instruments	1,119,426	-	1,119,426	-
	<u>1,119,426</u>	<u>-</u>	<u>32,915,833</u>	<u>30,598,890</u>

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
<b>Due within one year</b>				
Trade debtors	1,127,567	237,423	-	84,709
Other debtors	896	-	-	-
Called up share capital not paid	311,095	311,095	311,095	311,095
Prepayments and accrued income	409,731	339,171	28,241	29,688
Corporation tax paid in advance	-	-	786,363	544,000
	<u>1,849,289</u>	<u>887,689</u>	<u>1,125,699</u>	<u>969,492</u>

18. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	2,029,525	2,043,949	2,029,525	2,043,949
Trade creditors	915,000	639,310	101,314	94,181
Corporation tax	700,891	594,026	-	-
Other taxation and social security	289,866	239,833	72,880	54,327
Other creditors	214,117	193,440	33,410	20,983
Accruals and deferred income	3,214,540	3,693,406	471,833	360,475
	<u>7,363,939</u>	<u>7,403,964</u>	<u>2,708,962</u>	<u>2,573,915</u>

**HARTFORD CARE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**19. Creditors: Amounts falling due after more than one year**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Bank loans	<b>34,723,752</b>	36,758,921	<b>34,723,752</b>	36,758,921
Amounts owed to group undertakings	-	-	<b>16,619,549</b>	13,240,117
Financial instruments	-	337,291	-	337,291
	<b><u>34,723,752</u></b>	<b><u>37,096,212</u></b>	<b><u>51,343,301</u></b>	<b><u>50,336,329</u></b>

Amounts owed to group undertakings are interest free and repayable on demand.

**20. Loans**

On 24 January 2020 Hartford Care Group Limited entered into a new £45 million Facilities Agreement with National Westminster Bank Plc. This comprised an initial loan of £35 million and £10 million committed facility. £41.2 million of this facility was drawn at year end.

The bank loans are repayable over five years and currently bear interest at 1.95% over LIBOR. They are secured by fixed charges on property owned by the Group and a floating charge over other assets.

In January 2020, the company also entered into a 'swap' arrangement with its bank to protect it from future interest rate fluctuations. At 31 March 2022 the fair value of the 'swap' arrangement was an asset of £1,119,426.

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
<b>Amounts falling due within one year</b>				
Bank loans	<b>2,029,525</b>	2,043,949	<b>2,029,525</b>	2,043,949
	<b><u>2,029,525</u></b>	<u>2,043,949</u>	<b><u>2,029,525</u></b>	<u>2,043,949</u>
<b>Amounts falling due 1-2 years</b>				
Bank loans	<b>2,015,545</b>	2,029,526	<b>2,015,545</b>	2,029,526
	<b><u>2,015,545</u></b>	<u>2,029,526</u>	<b><u>2,015,545</u></b>	<u>2,029,526</u>
<b>Amounts falling due 2-5 years</b>				
Bank loans	<b>32,708,207</b>	34,729,395	<b>32,708,207</b>	34,729,395
	<b><u>32,708,207</u></b>	<u>34,729,395</u>	<b><u>32,708,207</u></b>	<u>34,729,395</u>
	<b><u>36,753,277</u></b>	<u>38,802,870</u>	<b><u>36,753,277</u></b>	<u>38,802,870</u>

HARTFORD CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

21. Financial instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	11,012,898	8,372,191	8,981,346	6,826,061
Financial assets that are debt instruments measured at amortised cost	1,128,463	237,423	31,796,407	30,683,599
Derivative financial instruments measured at fair value through profit or loss	1,119,426	-	1,119,426	-
	<u>13,260,787</u>	<u>8,609,614</u>	<u>41,897,179</u>	<u>37,509,660</u>
<b>Financial liabilities</b>				
Derivative financial instruments measured at fair value through profit or loss	-	337,291	-	337,291
Financial liabilities measured at amortised cost	37,882,394	39,635,127	53,507,550	52,158,151
	<u>37,882,394</u>	<u>39,972,418</u>	<u>53,507,550</u>	<u>52,495,442</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents and unlisted investments.

Financial assets that are measured at amortised cost comprise trade, other debtors and amounts owed by Group undertakings (Company only).

Financial liabilities measured at amortised cost comprise bank and other loans, trade and other creditors and amounts owed to Group undertakings (Company only).

Derivative financial instruments measured at fair value through profit or loss comprise the interest rate swap.

22. Deferred taxation

Group

	2022 £	2021 £
At beginning of year	(2,748,884)	(2,706,948)
(Charged)/credited to profit or loss	(1,281,277)	22,878
Arising on business combinations	-	(64,814)
<b>At end of year</b>	<u>(4,030,161)</u>	<u>(2,748,884)</u>

HARTFORD CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

22. Deferred taxation (continued)

Company

	2022 £	2021 £
At beginning of year	(6,074)	1,543
(Charged)/credited to profit or loss	(11,970)	(7,617)
<b>At end of year</b>	<b>(18,044)</b>	<b>(6,074)</b>

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Short term timing differences	77,267	163,212	843	641
Tax losses carried forward	40,927	41,051	-	-
Fixed asset timing differences	(892,919)	(593,183)	(18,887)	(6,715)
Revaluation surplus/capital gains	(3,255,436)	(2,359,964)	-	-
	<b>(4,030,161)</b>	<b>(2,748,884)</b>	<b>(18,044)</b>	<b>(6,074)</b>

23. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
17,966,434 (2021 - 17,966,434) Ordinary shares of £0.000010 each	<b>180</b>	<b>180</b>
<b>Allotted, called up and partly paid</b>		
504,613 (2021 - 504,613) Ordinary shares of £0.000010 each	<b>5</b>	<b>5</b>
962,030 (2020 - 962,030) G1 shares of £0.000010 each	<b>10</b>	<b>10</b>
538,049 (2020 - 538,049) G2 shares of £0.000010 each	<b>5</b>	<b>5</b>
	<b>20</b>	<b>20</b>

HARTFORD CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

**24. Reserves**

**Share premium account**

This reserve represents the amount above the nominal value received for shares issued, less transaction costs.

**Revaluation reserve**

The revaluation reserve is made up of the surplus in revaluation of freehold properties within the subsidiaries.

**Capital redemption reserve**

This reserve represents the nominal value of shares repurchased by the Company.

**Profit and loss account**

This reserve represents the cumulative profit net of dividends paid.

**25. Pension commitments**

The Group previously operated a defined benefit pension scheme until disposing of the schemes assets and liabilities in the year.

Reconciliation of present value of plan liabilities:

	2022 £	2021 £
<b>Reconciliation of present value of plan liabilities</b>		
At the beginning of the year	1,805,000	1,704,000
Expenses	27,000	27,000
Interest cost	35,000	40,000
Actuarial (gains)/losses	(173,000)	113,000
Benefits paid	(106,000)	(79,000)
<b>At the end of the year</b>	<u><u>1,588,000</u></u>	<u><u>1,805,000</u></u>

HARTFORD CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

25. Pension commitments (continued)

Reconciliation of present value of plan assets:

	2022 £	2021 £
At the beginning of the year	1,989,000	1,870,000
Interest income	42,000	45,000
Actuarial gains/(losses)	(649,000)	44,000
Contributions	324,000	109,000
Benefits paid	(106,000)	(79,000)
<b>At the end of the year</b>	<b>1,600,000</b>	<b>1,989,000</b>

Composition of plan assets:

	2022 £	2021 £
Equities	-	449,000
Corporate bonds	-	903,000
Gilts	-	310,000
Cash / other	1,600,000	327,000
<b>Total plan assets</b>	<b>1,600,000</b>	<b>1,989,000</b>

	2022 £	2021 £
Fair value of plan assets	1,600,000	1,989,000
Present value of plan liabilities	(1,588,000)	(1,805,000)
Assets not recognised in the financial statements	(12,000)	(184,000)
<b>Net pension scheme liability</b>	<b>-</b>	<b>-</b>

The amounts recognised in profit or loss are as follows:

	2022 £	2021 £
Current service cost	63,583	109,000
<b>Total</b>	<b>63,583</b>	<b>109,000</b>

The cumulative amount of actuarial gains and losses recognised in the Consolidated statement of comprehensive income was £NIL (2021 - £NIL).



HARTFORD CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

25. Pension commitments (continued)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2022	2021
	%	%
Discount rate	2.8	2.0
Allowance for revaluation of deferred pensions	4.1	3.5
Inflation assumption	4.1	3.5
Mortality rates		
- for a male aged 65 now	22.2	22.1
- at 65 for a male aged 45 now	23.5	23.4
- for a female aged 65 now	23.9	23.8
- at 65 for a female member aged 45 now	25.4	25.4

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2022	2021
	£	£
Defined benefit obligation	(1,588,000)	(1,805,000)
Scheme assets	1,600,000	1,989,000
	<hr/>	<hr/>
<b>Surplus</b>	<b>12,000</b>	<b>184,000</b>
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26. Commitments under operating leases

At 31 March 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022	Group 2021
	£	£
Not later than 1 year	10,011	17,567
Later than 1 year and not later than 5 years	40,043	38,836
Later than 5 years	2,503	12,136
	<hr/>	<hr/>
	<b>52,557</b>	<b>68,539</b>
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**27. Related party transactions**

The Group is exempt from disclosing related party transactions within the Group by virtue of the provisions of FRS 102 section 33.1A.

**28. Controlling party**

At the period end, the Group had no one controlling party.

**29. Parent company profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements. The profit after tax of the parent Company for the year was £4,193,521 (2021: £22,895,069).

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