Registered number: 09262881

HARTFORD CARE GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

HARTFORD CARE GROUP LIMITED

COMPANY INFORMATION

Directors	K A Shaw (appointed 6 July 2022) D S Levin M Fisch S F Gavin L C Levin I M Pearman 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 Audit Chartered Accountants and Statutory Auditor Reading Bridge House George Street Reading Berkshire RG1 8LS

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023

BUSINESS REVIEW

The Group achieved a turnover of £33.5 million for the year to 31 March 2023 from its principal business of operating residential and nursing care homes for the elderly. This represented growth of 10.6% compared to the previous year. The average occupancy for the year was 86.7% (2022: 83.8%).

Adjusted operating profit improved by 6.5% to £6.6 million which equated to 19.6% of turnover (2022: 20.4%).

During the year there was significant capital investment and a refurbishment programme to upgrade our homes is now well underway. Also, insulation was improved and solar panels installed at most homes.

The Group's net debt position was £25.9 million (2022: £25.7 million) and all banking covenants continued to be met.

Since the year end, leases have been signed on 4 brand new, state of the art care homes, which combined will add an extra 269 beds. The first of these homes, Harlow Hall (Aldershot) opened in July 2023 with the second home (Swindon) due to open in the autumn. The remaining two homes are at early stages of construction and are expected to be completed in late 2025.

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. Under the CQC's new inspection regime, they regularly review the Group's care homes using information from a variety of sources including physical inspections. 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 values-based approach and ensuring that our residents receive a high quality of care. An ongoing refurbishment programme is in place to ensure our care homes are maintained to a high standard.

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 very challenging. We are proud to be a Real Living Wage Employer with all staff receiving at least this independently set minimum hourly rate of pay, which is based on what people require to meet every day needs. In addition, we gave staff a £600 one-off bonus to support them over the winter following the surge in fuel prices. These are positive ways 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 most of its debt until 2025.

The Group is in the process of extending its loan agreements until 2027 and resetting the value to £35 million term loan plus £10 million acquisition facility to support further growth. This longer maturity period will also reduce financial risk.

FINANCIAL KEY PERFORMANCE INDICATORS

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

	2023	**2022**	**Change**
Turnover	£33,538,660	£30,317,265	10.6%
Occupancy Rate	86.7%	83.8%	2.9%
Adjusted operating profit*	£6,571,833	£6,170,515	6.5%
Adjusted operating profit % of turnover	19.6%	20.4%	
Net assets	£50,175,881	£44,847,166	11.9%
Tangible fixed assets	£79,510,948	£76,099,798	4.5%
Debt servicing ratio	3.3	2.9	

* adjusted to exclude exceptional items, other operating income and fair value movements.

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

....
K A Shaw
Director

Date: 26 October 2023

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

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

Results and dividends

The profit for the year, after taxation, amounted to £5,479,672 (2022 - £5,793,301).

Dividends of £236,429 were declared in the current period (2022 - £nil).

Directors

The directors who served during the year were:

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

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Engagement with employees

As a Group, we believe that we should care for each other and celebrate individuality. This includes employees as well as our residents. During the last year we have established various employee forums to obtain regular feedback and have made changes based on what our employees said. We have also appointed brand ambassadors at each home so that our values are fully understood and lived throughout the whole organisation.

Engagement with suppliers, customers and others

Our residents are at the heart of everything we do and as well as providing high quality care, we want them to enjoy their time with us, living life in the way that they choose. Our aim is to create communities which are friendly, kind and welcoming for everyone. This extends to residents' families, our local authority customers and suppliers. We hold regular meetings with these key stakeholders and have excellent links with the local communities around our homes.

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.

Post balance sheet events

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

Auditors

The auditors, James Cowper Kreston Audit, 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: 26 October 2023

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 2023, 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 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; 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 .

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:

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. 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 Audit

Chartered Accountants and Statutory Auditor

Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

26 October 2023

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover	4	**33,538,660**	30,317,265
Cost of sales		**(21,451,889)**	(16,991,635)
Gross profit		**12,086,771**	13,325,630
Administrative expenses		**(5,514,938)**	(7,155,115)
Exceptional administrative expenses	15	**(558,338)**	-
Other operating income	5	**52,622**	1,938,858
Fair value movements	6	**680,173**	1,456,717
Operating profit	7	**6,746,290**	9,566,090
Interest receivable and similar income	11	**75,900**	-
Interest payable and similar expenses	12	**(1,081,435)**	(1,034,152)
Profit before tax		**5,740,755**	8,531,938
Tax on profit	13	**(261,083)**	(2,738,637)
Profit for the financial year		**5,479,672**	5,793,301
Profit for the year attributable to:			
Owners of the parent		**5,479,672**	5,793,301
		5,479,672	5,793,301

There are no items of other comprehensive income for 2023 or 2022 other than the profit for the year. As a result, no separate Statement of Comprehensive Income has been presented.

The notes on pages 16 to 36 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note		2023 £		2022 £
Fixed assets					
Intangible assets	16		**727,664**		873,823
Tangible assets	17		**79,510,948**		76,099,798
			80,238,612		76,973,621
Current assets					
Stocks	19	**12,775**		9,784	
Debtors: amounts falling due after more than one year	20	**1,799,599**		1,119,426	
Debtors: amounts falling due within one year	20	**2,794,492**		1,849,289	
Bank and cash balances	21	**8,789,032**		11,012,898	
		13,395,898		13,991,397	
Creditors: amounts falling due within one year	22	**(6,938,689)**		(7,363,939)	
Net current assets			**6,457,209**		6,627,458
Total assets less current liabilities			**86,695,821**		83,601,079
Creditors: amounts falling due after more than one year	23		**(32,631,277)**		(34,723,752)
Provisions for liabilities					
Deferred taxation	26	**(3,888,663)**		(4,030,161)	
			(3,888,663)		(4,030,161)
Net assets			**50,175,881**		44,847,166
Capital and reserves					
Called up share capital	27		**200**		200
Share premium account	28		**8,027,095**		7,941,623
Revaluation reserve	28		**7,342,847**		7,342,847
Capital redemption reserve	28		**34**		34
Profit and loss account	28		**34,805,705**		29,562,462
			50,175,881		44,847,166

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

....
K A Shaw
Director
Date: 26 October 2023

The notes on pages 16 to 36 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023**

COMPANY BALANCE SHEET
AS AT 31 MARCH 2023

	Note		2023 £		2022 £
Fixed assets					
Tangible assets	17		**228,517**		118,804
Investments	18		**49,606,619**		49,606,619
			49,835,136		49,725,423
Current assets					
Debtors: amounts falling due after more than one year	20	**30,723,318**		32,915,833	
Debtors: amounts falling due within one year	20	**2,645,459**		1,125,699	
Bank and cash balances		**7,643,330**		8,981,346	
		41,012,107		43,022,878	
Creditors: amounts falling due within one year	22	**(2,984,618)**		(2,708,962)	
Net current assets			**38,027,489**		40,313,916
Total assets less current liabilities			**87,862,625**		90,039,339
Creditors: amounts falling due after more than one year	23		**(53,352,271)**		(51,343,301)
Provisions for liabilities					
Deferred taxation	26	**(31,489)**		(18,044)	
			(31,489)		(18,044)
Net assets			**34,478,865**		38,677,994
Capital and reserves					
Called up share capital	27		**200**		200
Share premium account	28		**8,027,095**		7,941,623
Capital redemption reserve	28		**34**		34
Profit and loss account	28		**26,451,536**		30,736,137
			34,478,865		38,677,994

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

....
K A Shaw
Director
Date: 26 October 2023

The notes on pages 16 to 36 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2022	200	7,941,623	34	7,342,847	29,562,462	44,847,166
Profit for the year	-	-	-	-	5,479,672	5,479,672
Dividends	-	-	-	-	(236,429)	(236,429)
Shares issued during the year	-	85,472	-	-	-	85,472
At 31 March 2023	200	8,027,095	34	7,342,847	34,805,705	50,175,881

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

	Called up share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
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)
At 31 March 2022	200	7,941,623	34	7,342,847	29,562,462	44,847,166

The notes on pages 16 to 36 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2022	200	7,941,623	34	30,736,137	38,677,994
Loss for the year	-	-	-	(4,048,172)	(4,048,172)
Dividends	-	-	-	(236,429)	(236,429)
Shares issued during the year	-	85,472	-	-	85,472
At 31 March 2023	200	8,027,095	34	26,451,536	34,478,865

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
At 31 March 2022	200	7,941,623	34	30,736,137	38,677,994

The notes on pages 16 to 36 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	**5,479,672**	5,793,301
Adjustments for:		
Amortisation of intangible assets	**146,159**	148,460
Depreciation of tangible assets	**983,757**	763,465
Loss on disposal of tangible assets	**7,062**	(4,637)
Interest paid	**1,081,435**	1,034,152
Interest received	**(75,900)**	-
Taxation charge	**261,083**	2,738,637
(Increase)/decrease in stocks	**(2,991)**	123,203
(Increase) in debtors	**(870,203)**	(961,600)
Increase/(decrease) in creditors	**236,726**	(132,466)
Net fair value (gains) recognised in P&L	**(680,173)**	(1,456,717)
Corporation tax (paid)	**(1,099,684)**	(1,350,495)
Net cash generated from operating activities	**5,466,943**	6,695,303
Cash flows from investing activities		
Purchase of tangible fixed assets	**(4,413,975)**	(984,351)
Sale of tangible fixed assets	**26,130**	13,500
Sale of unlisted and other investments	**-**	51,270
Interest received	**75,900**	-
Net cash from investing activities	**(4,311,945)**	(919,581)
Cash flows from financing activities		
Repayment of loans	**(2,061,000)**	(2,049,593)
Dividends paid	**(236,429)**	-
Interest paid	**(1,081,435)**	(1,034,152)
Net cash used in financing activities	**(3,378,864)**	(3,083,745)
Net (decrease)/increase in cash and cash equivalents	**(2,223,866)**	2,691,977
Cash and cash equivalents at beginning of year	**11,012,898**	8,320,921
Cash and cash equivalents at the end of year	**8,789,032**	11,012,898
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**8,789,032**	11,012,898

The notes on pages 16 to 36 form part of these financial statements.

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2023

	At 1 April 2022	Cash flows	At 31 Marc 202
	£	£	
Cash at bank and in hand	11,012,898	(2,223,866)	8,789,032
Debt due after 1 year	(34,723,752)	2,092,475	(32,631,277)
Debt due within 1 year	(2,029,525)	(31,475)	(2,061,000)
	(25,740,379)	(162,866)	(25,903,245)

The notes on pages 16 to 36 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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. Accounting policies (continued)

2.3 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.

2.4 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.

2.5 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.

2. Accounting policies (continued)

2.5 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.

2.6 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.

2.7 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.

2.8 Stocks

Stocks held at 31 March 2023 relate to consumables held at the year end and stocks held at 31 March 2022 related to the leaseholds held for sale at the year end. Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to sell.

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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. Accounting policies (continued)

2.14 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.

2.15 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 prior 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.

2.16 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.

2.17 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.18 Borrowing costs

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

2.19 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. Accounting policies (continued)

2.20 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.

2.21 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

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.

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 13)

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 17)

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 30)

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.

5. Other operating income

	2023	2022
	£	£
Government grants receivable	**-**	946,867
Income from unlisted investments	**52,622**	991,991
	52,622	1,938,858

6. Fair value movements

	2023	2022
	£	£
Fair value movement on financial instruments	(680,173)	(1,456,717)

7. Operating profit

The operating profit is stated after charging:

	2023	2022
	£	£
Depreciation of tangible fixed assets	983,757	763,465
Amortisation of intangible assets, including goodwill	146,159	148,460
Operating lease rentals	34,611	15,982
Defined contribution pension cost	321,157	307,505
Defined benefit pension cost	-	63,583

8. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2023	2022
	£	£
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	107,340	96,792
Fees payable to the Group's auditor in respect of:		
Other services relating to taxation	26,448	23,310

9. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Wages and salaries	**18,625,665**	16,655,333	**2,397,206**	1,855,169
Social security costs	**1,392,790**	1,142,862	**280,884**	213,081
Cost of defined contribution scheme	**321,157**	307,505	**87,040**	78,304
	20,339,612	18,105,700	**2,765,130**	2,146,554

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

	2023 No.	2022 No.
Directors	**7**	5
Operations	**695**	685
Administration and finance	**21**	18
	723	708

10. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	**936,999**	502,682

The highest paid director received remuneration of £528,334 (2022 - £421,848).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2022 - £nil).

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 £1,616,615 (2022: £1,279,155).

11. Interest receivable

	2023 £	2022 £
Other interest receivable	**75,900**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. Interest payable and similar expenses

	2023	2022
	£	£
Bank interest payable	**1,081,435**	1,034,152

13. Taxation

	2023	2022
	£	£
Corporation tax		
Current tax on profits for the year	**677,576**	1,350,536
Adjustments in respect of previous periods	**(274,995)**	106,824
Total current tax	**402,581**	1,457,360
Deferred tax		
Origination and reversal of timing differences	**411,082**	262,987
Adjustments in respect of prior periods	**(552,580)**	1
Effect of tax rate change on opening balance	**-**	1,018,289
Total deferred tax	**(141,498)**	1,281,277
Taxation on profit on ordinary activities	**261,083**	2,738,637

13. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - higher than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	**5,740,755**	8,531,938
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	**1,090,743**	1,621,068
Effects of:		
Capital allowances for year in excess of depreciation	**(44,801)**	(21,638)
Adjustments to tax charge in respect of prior periods	**(827,575)**	106,825
Capital gains/(losses)	**(53,819)**	52,845
Other differences (including exempt income) leading to an increase/(decrease) in the tax charge	**19,973**	(105,137)
Deferred tax not recognised	**(29,079)**	75,514
Remeasurement of deferred tax for changes in tax rates	**105,641**	1,009,160
Total tax charge for the year	**261,083**	2,738,637

Factors that may affect future tax charges

In the Spring Budget 2022, the Government announced that from 1 April 2023 the main corporation tax rate will increase to 25%. The impact of these changes is not expected to be material.

14. Dividends

	2023 £	2022 £
Dividends	**236,429**	-

15. Exceptional items

	2023 £	2022 £
Winter fuel support payments to staff	**342,019**	-
CEO appointment and restructuring fees	**216,319**	-
	558,338	-

16. Intangible assets

Group

	Goodwill	Negative goodwill	Total
	£	£	£
Cost			
At 1 April 2022	**1,577,628**	**(192,679)**	**1,384,949**
At 31 March 2023	**1,577,628**	**(192,679)**	**1,384,949**
Amortisation			
At 1 April 2022	**535,211**	**(24,085)**	**511,126**
Charge for the year on owned assets	**165,427**	**(19,268)**	**146,159**
At 31 March 2023	**700,638**	**(43,353)**	**657,285**
Net book value			
At 31 March 2023	**876,990**	**(149,326)**	**727,664**
At 31 March 2022	1,042,417	(168,594)	873,823

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. Tangible fixed assets

Group

	Freehold property and provements	Motor vehicles	Fixtures and fittings	Plant and machinery	Office equipment	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2022	73,230,645	81,405	5,868,985	892,543	480,429	80,554,007
Additions	1,798,756	-	2,272,883	21,018	321,318	4,413,975
Disposals	-	(18,800)	(28,456)	-	(23,608)	(70,864)
At 31 March 2023	75,029,401	62,605	8,113,412	913,561	778,139	84,897,118
Depreciation						
At 1 April 2022	484,999	51,508	2,983,033	651,147	283,522	4,454,209
Charge for the year on owned assets	35,140	7,882	607,107	177,222	156,406	983,757
Disposals	-	(18,800)	(24,016)	-	(8,980)	(51,796)
At 31 March 2023	520,139	40,590	3,566,124	828,369	430,948	5,386,170
Net book value						
At 31 March 2023	74,509,262	22,015	4,547,288	85,192	347,191	79,510,948
At 31 March 2022	72,745,646	29,897	2,885,952	241,396	196,907	76,099,798

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. Tangible fixed assets (continued)

Company

	Motor vehicles	Office equipment	Total
	£	£	£
Cost or valuation			
At 1 April 2022	64,615	162,129	226,744
Additions	-	181,735	181,735
At 31 March 2023	64,615	343,864	408,479
Depreciation			
At 1 April 2022	37,235	70,705	107,940
Charge for the year on owned assets	6,204	65,818	72,022
At 31 March 2023	43,439	136,523	179,962
Net book value			
At 31 March 2023	21,176	207,341	228,517
At 31 March 2022	27,380	91,424	118,804

18. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	**49,606,619**
At 31 March 2023	**49,606,619**

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 %
Hartford Care (8) Limited	Dormant company	Ordinary	100 %
Hartford Care (9) Limited	Care home operator	Ordinary	100 %

Hartford Care (10) Limited	Dormant company	Ordinary	100 %

* denotes indirect shareholding in a subsidiary.

19. Stocks

	Group 2023 £	Group 2022 £
Raw materials and consumables	**12,775**	9,784

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

20. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Due after more than one year				
Amounts owed by group undertakings	-	-	28,923,719	31,796,407
Financial instruments	1,799,599	1,119,426	1,799,599	1,119,426
	1,799,599	1,119,426	30,723,318	32,915,833

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Due within one year				
Trade debtors	1,345,358	1,127,567	-	-
Other debtors	226,893	896	225,997	-
Called up share capital not paid	311,095	311,095	311,095	311,095
Prepayments and accrued income	911,146	409,731	222,004	28,241
Corporation tax paid in advance	-	-	1,886,363	786,363
	2,794,492	1,849,289	2,645,459	1,125,699

The intercompany receivable is unsecured and fully subordinated to any charges or rights accrued in connection with the Group loan facility. The intercompany receivable is repayable on a rolling 367 day basis and accrues no interest.

The bank loan held by Hartford Care Group Limited is secured by an intercompany guarantee over the Group's assets.

Included within other debtors is £151,000 owed by a Director for the payment of issued share capital.

21. Cash and cash equivalents

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and in hand	8,789,032	11,012,898	7,643,330	8,981,346

22. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	**2,061,000**	2,029,525	**2,061,000**	2,029,525
Trade creditors	**897,182**	915,000	**154,692**	101,314
Corporation tax	**3,788**	700,891	**-**	-
Other taxation and social security	**306,407**	289,866	**82,255**	72,880
Other creditors	**605,902**	214,117	**69,603**	33,410
Accruals and deferred income	**3,064,410**	3,214,540	**617,068**	471,833
	6,938,689	7,363,939	**2,984,618**	2,708,962

The terms of the bank loans are detailed in note 24.

23. Creditors: Amounts falling due after more than one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	**32,631,277**	34,723,752	**32,631,277**	34,723,752
Amounts owed to group undertakings	**-**	-	**20,720,994**	16,619,549
	32,631,277	34,723,752	**53,352,271**	51,343,301

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

The intercompany payable is unsecured and fully subordinated to any charges or rights accrued in connection with the Group loan facility. The intercompany payable is repayable on a rolling 367 day basis and accrues no interest.

The bank loan held by Hartford Care Group Limited is secured by an intercompany guarantee over the Group's assets.

The terms of the bank loans are detailed in note 24.

24. Loans

Analysis of the maturity of loans is given below:

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Bank loans falling due within one year	**2,061,000**	2,029,525	**2,061,000**	2,029,525
Bank loans falling due 1-2 years	**32,631,277**	2,015,545	**32,631,277**	2,015,545
Bank loans falling due 2-5 years	**-**	32,708,207	**-**	32,708,207
	34,692,277	36,753,277	**34,692,277**	36,753,277

25. Financial instruments

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Financial assets				
Financial assets measured at fair value through profit or loss	**8,789,032**	11,012,898	**7,643,330**	8,981,346
Financial assets that are debt instruments measured at amortised cost	**1,572,251**	1,128,463	**29,149,716**	31,796,407
Derivative financial instruments measured at fair value through profit or loss	**1,799,599**	1,119,426	**1,799,599**	1,119,426
	12,160,882	13,260,787	**38,592,645**	41,897,179
Financial liabilities				
Financial liabilities measured at amortised cost	**36,195,361**	37,882,394	**55,637,566**	53,507,550

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.

26. Deferred taxation

Group

	2023 £	2022 £
At beginning of year	**(4,030,161)**	(2,748,884)
(Charged)/credited to profit or loss	**141,498**	(1,281,277)
At end of year	**(3,888,663)**	(4,030,161)

Company

	2023 £	2022 £
At beginning of year	**(18,044)**	(6,074)
(Charged)/credited to profit or loss	**(13,445)**	(11,970)
At end of year	**(31,489)**	(18,044)

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Short term timing differences	**14,772**	77,267	**873**	843
Tax losses carried forward	**20,837**	40,927	**-**	-
Fixed asset timing differences	**(737,934)**	(892,919)	**(32,362)**	(18,887)
Revaluation surplus/capital gains	**(3,186,338)**	(3,255,436)	**-**	-
	(3,888,663)	(4,030,161)	**(31,489)**	(18,044)

27. Share capital

	2023	2022
	£	£
Allotted, called up and fully paid		
17,966,434 (2022 - 17,966,434) Ordinary shares of £0.000010 each	**180**	180
Allotted, called up and partly paid		
504,613 (2022 - 504,613) Ordinary shares of £0.000010 each	**5**	5
962,030 (2022 - 962,030) G1 shares of £0.000010 each	**10**	10
538,049 (2022 - 538,049) G2 shares of £0.000010 each	**5**	5
745 (2022 - nil) H Ordinary shares of £0.000010 each	**-**	-
	20	20

During the year ended 31 March 2023, 745 Ordinary H shares were issued for total consideration of £75,000.

28. 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.

29. Pension commitments

Defined benefit scheme

During the year ended 31 March 2023, an insurance policy was put in place by the Trustees of the retirement benefit scheme to cover the benefits payable to members.

The Trustees are now carrying out final due diligence with regard to any other liabilities arising from past or current members of the scheme. Once completed, the Trustees will commence winding up the scheme. The expected costs of this final phase remain in line with the amount already provided on the balance sheet.

Defined contribution scheme

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £321,157 (2022: £307,505). The total contributions payable to the fund at the balance sheet date were £52,066 (2022: £46,702).

30. Commitments under operating leases

At 31 March 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	Group 2022 £
Not later than 1 year	**21,533**	10,011
Later than 1 year and not later than 5 years	**69,739**	40,043
Later than 5 years	**8,160**	2,503
	99,432	52,557

31. 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.

32. Controlling party

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

33. 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 loss after tax of the parent Company for the year was £4,048,172 (2022: profit after tax £4,193,521).