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Company Registration No. 02665377 (England and Wales)

THE HESLEY GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 JUNE 2021

THE HESLEY GROUP LIMITED

COMPANY INFORMATION

Directors	D B Maynard C McSharry G Smith A G Robinson H Miller
Company number	02665377
Registered office	Central Services Hesley Hall Tickhill Doncaster DN11 9HH
Auditor	RSM UK Audit LLP Chartered Accountants Central Square 5th Floor 29 Wellington Street Leeds LS1 4DL

THE HESLEY GROUP LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 30 JUNE 2021

The directors present the strategic report and financial statements for the period ended 30 June 2021.

Fair Review of the Business

We aim to present a balanced and comprehensive review of the development and performance of the company during the period and its position at the period end. Our review is consistent with the size and relatively noncomplex nature of our business and is written in the context of the risks and uncertainties that we face.

The principal activities of the company are the provision of specialist residential services for adults and the provision of schools and colleges offering care, education and vocational opportunities for young people aged 8 to 25. All the people we support have autism and intellectual disability with complex needs and behaviour that may challenge.

The mission of the Hesley Group is to enable people with complex needs to achieve their full potential. We are driven by our values to provide services and support that is person-centred, outcome focused and quality driven and keep people safe.

Business Activities

The Hesley Group Limited is the immediate subsidiary of Hesley Care and Education Limited. Cedar Luxco S.a.r.l, which was considered by the directors to be the ultimate parent undertaking during the year and the largest group for which consolidated accounts included The Hesley Group Limited are prepared. Honour Project Holdco Limited is the smallest group for which consolidated accounts including The Hesley Group Limited are prepared.

Key Performance Indicators

The headline figures for the period are as follows:

	Period end 30 June 2021 £m	Year end 31 December 2019 £m
Turnover	82.4	54.7
Operating Profit	7.3	6.8
Net Assets	23,463	18,899
Period end occupancy:		
Full time residential	138	202

Financial Performance

The company has achieved an operating profit of £7.3m during the period compared to £6.8m for the previous 12 months. Operating profit in this period was impacted by the suspension of Fullerton House care home and Wilsic Hall care home in March 2021. The suspensions occurred as a result of safeguarding concerns raised by Ofsted. Residential pupils living in these homes were required to leave with immediate effect. During this period Fullerton House School and Wilsic Hall School remained open for day students.

As a result of this uncertainty the Directors decided to extend the year end to the maximum 18 month period so this impact could be reflected in these accounts.

Revenue is driven by occupancy and the fees for providing education and residential care services to the people we support.

Financial Performance (continued)
Our skilled and caring workforce are important in delivering these services and an annual pay award in excess of the Government National Living Wage was given to reward their contribution to the success of the business and delivering its values.

The business has invested in its properties and capital projects. During this period, £10.9m was invested in improving existing sites and developing new sites.

Non - Financial Performance
As at 30 June 2021, the number of registered beds available across the Group was 158 (31 December 2019 - 223). This compares to occupancy at the period end of 138 (31 December 2019 - 202). Both the capacity and occupancy number for June 21 exclude Fullerton and Wilsic Schools. Due to the nature of the people we support practical occupancy at any point in time can vary but is always lower than the number of registered beds. In total we have welcomed 18 new people for support across our services. 12 have transitioned from our schools to our adult services.

Post balance sheet events
At the same time as Fullerton and Wilsic care homes were suspended, Doncaster Safeguarding Partnership opened a safeguarding inquiry and investigation. The business identified the key issues and agreed an action plan with Ofsted. However it became clear that the inquiry and investigation was set to continue into 2023. In November 2021, Ofsted indicated that the suspension would continue for the duration of the investigation. Therefore, the Directors took the difficult decision to deregister and close Wilsic and Fullerton schools from April 2022 and July 2022 respectively.

The financial loss of these schools and homes required the Group to restructure its financing arrangements with its lenders. This refinancing was concluded in April 2022. Further details of this refinancing are included in the Post Balance Sheet Refinancing section below.

Principal Risks and Uncertainties

The Company focuses upon specialist services in the provision of healthcare and education for young people and adults with behaviour that may challenge. As such, the performance of the company can be impacted by external factors. The principal factors are changes in the National and Local policy towards third party contraction by commissioners of education, health and social care, alongside changes in the regulatory environment, competitive threats from both private and public providers and the loss of key employees. The following are the most significant risks and uncertainties facing the company.

Loss of revenue from contracts with UK local authorities, CCGs and other NHS bodies

The company's revenue derives from public funded bodies, such as Local Education Authorities, Local Authority Social Care and Clinical Commissioning Groups ('CCGs'). The Company expects that the reliance upon such sources will continue indefinitely, and as such relies upon the abilities of these bodies to pay for the group's services.

In order to mitigate these risks, the Company regularly assess services in conjunction with funders to ensure that they represent value for money and meet the specific needs to individuals which are placed. The company also works with policy makers on consultations regarding changes in policy.

Failure to comply with law and regulation

The Company is subject to law and regulation. OFSTED Care and Education are the regulator of the Schools and the Care Quality Commission are the regulator of the Adult Services. All services also seek compliance with Safeguarding and other national regulatory bodies such as the Health & Safety Executive, Disclosure and Baring Service and UK employment legislation.

Regulatory inspections are carried out both unannounced and announced, dependent upon the specific regulatory provision. The main regulators work on a ration system and failure to achieve a 'Good' rating requires an improvement plan by the service and organisation. Failure to correct defects could result in the revocation of the registration of any service or decrease / embargo in the services provided by the Company.

Failure to comply with law and regulation (continued)

In order to mitigate these risks, the company has in place extensive and comprehensive policies and procedures which are based upon regulators' standards and UK law. The adherence to these policies and procedures is subject to self-audit by local management and to audit by an internal team of experienced professionals and external consultants. Other regulation and legislation is implemented and monitored by the relevant department.

Financial Risk Management

The use of financial instruments is managed under policies and procedures which have been approved by the Board. These relate primarily to credit, interest and liquidity risks which arise in the course of normal business. Financial risks are also considered under the risk management policies of the Company.

Credit risk

Financial instruments which expose the company to credit risk consists of cash and trade receivables.

Cash is deposited with major financial institutions that satisfy certain credit criteria.

Credit risk is considered insignificant given that substantially all revenues are derived from publicly funded entities.

Liquidity risk

The Group prepares annual budgets including profit and loss, balance sheet and cash flow forecasts which reflect all known and anticipated commitments. Borrowing facilities are in place as necessary to finance requirements, including unutilised facilities which cover capital spend and working capital. The company has sufficient available facilities and cash flows from profits to fund current and anticipated commitments.

Interest rate risk

From the 29 November 2018 the bank facilities were refinanced with the new facilities introduced having a 5 year term. Interest on the facilities consists of LIBOR + a Margin. The new facilities are held in another group company.

Post Balance Sheet Refinancing

The financial loss of the schools and homes required the Group to restructure its financing arrangements with its lenders. This refinancing was concluded in April 2022.

They key points of the restructuring were:

- £13.9m cash injection in the form of loan notes from the main shareholder;
- Repay £3.0m of the bank RCF;
- The capex facility was also reduced to the £3.5m already drawn;
- The term of the facilities was extended to December 2024 with a possible 1 year extension to December 2025;
- Interest rate increased to 4.25% + SONIA;
- New covenants were set based on the revised business plan.

Future Developments

The medium to long-term development plan of the company is to continue to grow occupancy at its existing facilities and develop new facilities in new locations and acquire companies operating in similar market sectors.

Section 172 Companies Act statement

The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company. The Board welcomes the direction of the UK Financial Reporting Council (the 'FRC'). This S172 statement explains how the company's directors

- have engaged with employees, suppliers, customers and others; and
- have had regard to employee interests, the need to foster the company's business relationships with suppliers, customers and other, and the effect of that regards, including on the principal decisions taken by the company during the financial year.

When making decisions, each director ensures that he/she acts in the way he/she considers, in good faith, would most likely promote the company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

S172(1) (A) "The likely consequences of any decision in the long term"
The directors understand the business and the complex needs of the people we support. The mission of the company is to enable people with complex needs to achieve their full potential. The long-term strategy of the company is to continue growth at its existing facilities and the development of new facilities so that it can continue to support people with complex needs who require Hesley's services.

The directors fully recognise that while investing in the future we must continue to deliver today's exceptional levels of care and education to the people we support. As such, the directors take decisions to deliver the long-term growth strategy, that they also believe best support the continued delivery of the company's mission.

S172(1) (B) "The interests of the company's employees"
The directors recognise that the company's employees are fundamental and core to our business. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety, safeguarding and workplace environment, the directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

The company is dedicated to improving the performance and self-esteem of its staff in a way that directly improves the quality of life of the people we support. To this end our workforce development department (Hesley People) provides and commissions an extensive programme of workforce development activities. This combination of learning opportunities range from e-learning, individual coaching and mentoring, apprenticeships, learning events and updates, open learning and attendance at accredited courses.

S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"
Delivering our strategy requires strong mutually beneficial relationships with suppliers, local authorities, CCGs and other NHS bodies. The company continuously assesses the priorities related to those with whom we do business.

S172(1) (D) "The impact of the company's operations on the community and the environment"
We pride ourselves on our unique provision of residential support. We consider that positive physical environments demonstrate our commitment to those who live in or otherwise access our services. What is more, we see that such environments have a strongly positive influence in creating the best therapeutic milieu for the people who live within them and for the staff to work in.

Single person and small group occupancy of high-quality accommodation is the model of living arrangements throughout all provisions, in both young people's and adult services.

Sufficient space within, as well as around, the schools, colleges and homes of those we support is a key environmental consideration, as is the opportunity to individualise one's own living areas or room.

For some, the more rural locations of the Hesley Village or Low Laithes for example, may be ideal. For others, the more urban settings and more immediate community access of King Street, or Copperclay Mews may best match their needs and wishes.

Whatever the context of the care setting, the impact on the community and wider environment is inherent in our planning. As such, the company receives information on these topics to both provide relevant information for specific Board decisions. Each site is included within the facilities management program, which ensures full compliance with environmental regulation and any local authority requirements.

S172(1) (E) "The desirability of the company maintaining a reputation for high standards of business conduct"
The delivery of our mission requires some unique qualities. A wealth of experience and specialist expertise, high-quality therapeutic environments and resources, all in a place that's safe, stimulating, with positive well-considered risk management where individually tailored support, education and therapies can come together to *give each and everyone the skills and confidence they need to be who they want to be. Most of all, it takes care* - lots of it. It's why valuing the person and offering the best care is ingrained into everything we do.

The company undertakes to carry out a range of quality assurance measures, including unannounced visits by members of the senior management team who assess the performance of the service against the national standards and our own high expectations. We will always aim to exceed minimum standards for involvement and consultation, care, management, staffing, safety and the condition of the environment. A range of visits are conducted to services including during the night by senior managers to help assess the quality and safety of the service we provide.

An Independent Person undertakes monthly visits to the children's homes as required under Regulation 45 of the Children's Homes Regulations 2015. Other agencies also carry out periodic inspections, for example Health and Safety teams and Environmental Health Food Safety Officers. An independent external assessor is contracted to undertake regular assessment of the standard of education provided by the company.

The company's services are also registered with and are subject to regular inspection by external regulatory bodies. These are Care Quality Commission (CQC) in respect of adult services and the Office for Standards in Education (Ofsted) Social Care in respect of children's residential care provision and Ofsted Education in respect of the quality of service in our schools. The company has a quality board which is chaired by an independent non executive director. The purpose of the board is to ensure high quality service provision for everyone that is positive in terms of the service-user experience and is caring, safe, effective, well-led and responsive.. The quality board meets quarterly and the main actions discussed at the quality board are also discussed at the main board.

The company's Board members also undertake visits to services in order to understand how well they are being led, how effectively we are supporting people, the staff and managers views and the condition of the environment. This, complemented by the ways the Board is informed and monitors compliance with relevant governance standards help assure its decisions are taken and that the company acts in ways that promote high standards of business conduct.

S172(1) (F) "The need to act fairly as between members of the company"
After weighing up all relevant factors, the directors consider which course of action best enables delivery of our mission and strategy through the long-term, taking into consideration the impact on stakeholders. In doing so, our directors act fairly between the company's members whilst also considering other stakeholders.

Covid-19
Despite receiving some support from local authorities in the form of grants, the Company incurred significant incremental staff, agency and PPE costs during the period as a result of the coronavirus pandemic and such costs have been treated as non-recurring.

As required by the government all staff required to be vaccinated were fully vaccinated and the company is confident that its full suite of health and safety policies and procedures is sufficiently robust to keep all the people we support and our staff safe, as we move forward and learn to live with Covid-19.

Energy and greenhouse gas emissions
The Company's consideration of carbon dioxide emissions are set out in detail in the consolidated financial statements of its parent company, Honour Project Holdco Limited.

On behalf of the board

....
C McSharry
Director
24/6/22
....

The directors present their annual report and financial statements for the period ended 30 June 2021.

This report should be read in conjunction with the strategic report which contains disclosures regarding future developments and financial risk management.

Principal activities
The principal activity of the company continued to be the provision of schools offering care, education and vocational opportunities for young people aged 8 to 25 and flexible and specialist residential services for adults, the majority with autism, who have an intellectual disability and complex needs and behaviour that may be challenging.

Results and dividends
The results for the period are set out on page 13.

No ordinary dividends were paid (year ended 31 December 2019 - £nil). The directors do not recommend payment of a final dividend (year ended 31 December 2019 - £nil).

Directors
The directors who held office during the period and up to the date of signature of the financial statements were as follows:

D B Maynard	
C McSharry	
S McLean	(Resigned 14 February 2022)
G Smith	
A G Robinson	
H Miller	

Qualifying third party indemnity provisions
The company has made qualifying third party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

Disabled persons
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement
The company recognise the critical contribution that the employment of quality and well motivated employees has on the delivery of the company's services. In order to ensure that the people we support receive the best quality care, it is necessary to ensure that employees are all well trained and engaged in the values of the company.

Employees are, under terms of the company's policy, provided with information about the company through regular meetings and consultation held between management and employees. This facilitates a free flow of information and ideas on matters of concern to the employees and allows the views of the employees to be taken into account when decisions are being made which are likely to affect their interests. Additionally, this encourages the involvement of the employees of the financial and economic factors affecting the performance of the company.

Auditor

In accordance with the company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

Matters of strategic importance

Information is not shown within the Directors' Report as it is instead included within the Strategic Report on pages 1-5 under S414c(11).

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

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C McSharry
Director

Date: 29/6/22

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2021

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HESLEY GROUP LIMITED

Opinion

We have audited the financial statements of The Hesley Group Limited (the 'company') for the period ended 30 June 2021 which comprise the statement of income and retained earnings, the statement of financial position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HESLEY GROUP LIMITED (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, and inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The audit team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to:

- Reviewing journal entries and other adjustments; and
- Evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to CQC regulations. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Daniel Varley (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Central Square
5th Floor
29 Wellington Street
Leeds
LS1 4DL
30 June 2022

THE HESLEY GROUP LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD ENDED 30 JUNE 2021

	Notes	Period ended 30 June 2021 £	Year ended 31 December 2019 £
Turnover	**3**	82,382,957	54,667,147
Other operating income		3,969	16,465
Staff costs	**4**	(56,906,390)	(36,324,510)
Depreciation	**6**	(3,462,970)	(3,709,182)
Exceptional other operating expenses	**8**	(2,592,350)	(176,324)
Other operating expenses		(12,088,274)	(7,684,593)
Operating profit	**6**	7,336,942	6,789,003
Interest receivable and similar income	**9**	1,153,270	606,248
Interest payable and similar expenses	**10**	(2,319,876)	(1,348,828)
Profit before taxation		6,170,336	6,046,423
Taxation	**11**	(1,606,533)	(881,638)
Profit for the financial period	**18**	4,563,803	5,164,785
Retained earnings brought forward		18,898,936	13,734,151
Retained earnings carried forward		23,462,739	18,898,936

The Statement of Income and Retained Earnings has been prepared on the basis that all operations are continuing operations.

Company Registration No. 02665377

THE HESLEY GROUP LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Notes	30 June 2021 £	£	31 December 2019 £	£
Fixed assets					
Tangible assets	12		40,447,107		33,002,905
Current assets					
Debtors	13	21,847,929		24,067,014	
Cash at bank and in hand		2,488,891		5,155,913	
		24,336,820		29,222,927	
Creditors: amounts falling due within one year	14	(39,655,975)		(42,412,078)	
Net current liabilities			(15,319,155)		(13,189,151)
Total assets less current liabilities			25,127,952		19,813,754
Provisions for liabilities	15		(1,665,211)		(914,816)
Net assets			23,462,741		18,898,938
Capital and reserves					
Called up share capital	17		2		2
Profit and loss reserves	18		23,462,739		18,898,936
Total equity			23,462,741		18,898,938

The financial statements were approved by the board of directors and authorised for issue on 29/6/22 and are signed on its behalf by:

C McSharry
Director

A G Robinson
Director

1 Accounting policies

Company information
The Hesley Group Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Central Services, Hesley Hall, Tickhill, Doncaster, DN11 9HH.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

Reduced disclosure
This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Honour Project Holdco Limited. These consolidated financial statements are available from its registered office, Central Services, Hesley Hall, Tickhill, Doncaster, DN11 9HH.

Going concern
At 30 June 2021, the company had net current liabilities of £15,319,155 (31 December 2019 - £13,189,151). At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Reporting period
The financial statements are drawn up for the 18 month period to 30 June 2021 ("the financial period"). Comparative figures are for the year to 31 December 2019. Therefore the previous period of account is not directly comparable.

1 Accounting policies (Continued)

Turnover
Turnover is recognised at the fair value of the consideration received for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. Sales are recognised at the point at which the company has fulfilled its contractual obligations to the customer. Income is deferred at the year end where income is received in advance of contractual obligations being met.

Grant income
Revenue based grants received are credited to the profit and loss account over the life of the project to which they relate, on a cost basis.

Exceptional costs
The company classifies certain one-off expenses or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line. Land is not depreciated
Fixtures and fittings	Over 5 years straight line
Computer equipment	Over 3 years straight line
Motor vehicles	20% reducing balance

Properties in the course of construction are carried at cost, less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. Depreciation commences when the properties are ready for their intended use.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Borrowing costs related to fixed assets

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar expenses.

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

Impairment of fixed assets
At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Financial instruments
The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include trade and other debtors, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets
Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies (Continued)

Basic financial liabilities
Basic financial liabilities, including trade and other creditors, amounts due to group undertakings and amounts due to participating interests are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments
Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Taxation
The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

1 Accounting policies (Continued)

Employee benefits
The costs of employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits
Defined contribution plans
For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Teachers' Pension Scheme ('TPS')
Retirement benefits to employees of the company are provided by the Teachers' Pension Scheme which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

2 Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical accounting estimates and uncertainties

Useful life of assets
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. No changes to useful economic lives or residual values have been determined necessary this year. Details of depreciation rates can be found in note 1 (accounting policies) and the depreciation charge in note 12 (tangible fixed assets).

Critical judgements
The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Property, plant and equipment expenditure
The company incurs significant expenditure in maintaining and improving it's property, plant and equipment. Repairs and maintenance costs are expensed unless the replacement is expected to provide incremental future benefits to the company. During the period the company capitalised £10,941,115 of costs (year ended 31 December 2019 - £5,810,331) and expensed £1,624,940 of costs (year ended 31 December 2019 - £1,059,863).

Recoverability of intercompany balances
Determination of whether the company's intercompany balances have been impaired requires estimation of the fellow group entities net asset position and its ability to generate future cashflows to settle the balance. The directors have performed a review of each intercompany balance for indications of impairment and estimated the future cashflows of the fellow group entity to determine recoverability. No impairment was recorded for the period ended 30 June 2021.

3 Turnover and other revenue

All of the company's turnover £82,382,957 (year ended 31 December 2019 - £54,667,147) is derived in the UK from the provision of care services.

4 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	Period ended 30 June 2021 Number	Year ended 31 December 2019 Number
Staff based at head office	132	126
Staff based at sites delivering care and education services	1,609	1,511
	1,741	1,637

Their aggregate remuneration comprised:

	Period ended 30 June 2021 £	Year ended 31 December 2019 £
Wages and salaries	50,489,396	31,601,388
Social security costs	3,879,362	2,386,435
Pension costs	1,369,631	801,592
Compensation for loss of office	137,783	-
	55,876,172	34,789,415

Employee costs above exclude agency staff costs.

Staff costs in the Statement of Income and Retained Earnings include agency staff costs.

5 *Directors' remuneration*

	Period ended 30 June 2021 £	Year ended 31 December 2019 £
Remuneration for qualifying services	2,076,556	1,081,448
Company pension contributions to defined contribution schemes	83,834	39,231
	2,160,390	1,120,679

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2019 - 4).

5 Directors' remuneration (Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	Period ended 30 June 2021 £	Year ended 31 December 2019 £
Remuneration for qualifying services	750,089	491,002
Company pension contributions to defined contribution schemes	15,000	10,000

6 Operating profit

	Period ended 30 June 2021 £	Year ended 31 December 2019 £
Operating profit for the period is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	3,462,970	2,208,774
Write off of fixtures and fittings	-	1,500,408
Loss/(profit) on disposal of tangible fixed assets	53,617	(201,508)

7 Auditors' remuneration

	Period ended 30 June 2021 £	Year ended 31 December 2019 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the company's financial statements	63,800	27,500
For other services		
Other assurance services	5,500	4,750
Taxation compliance services	41,500	15,000
Other taxation services	15,950	106,863
All other non-audit services	43,900	23,124
	106,850	149,737

8 Exceptional items

	Period ended 30 June 2021 £	Year ended 31 December 2019 £
Exceptional other costs	221,744	176,324
Exceptional covid costs	2,762,728	-
Covid-19 exceptional income	(1,099,750)	-
Exceptional staff and redundancy costs relating to suspension of Fullerton and Wilsic care homes	707,628	-
	2,592,350	176,324

Exceptional costs have increased in the period to 30 June 2021. This was due to Covid-19 and the suspension of the childrens care homes at Fullerton and Wilsic. Exceptional other costs relate to legal and professional fees incurred on non recurring activities.

9 Interest receivable and similar income

	Period ended 30 June 2021 £	Year ended 31 December 2019 £
Interest income		
Interest receivable from group companies	1,153,270	606,248

10 Interest payable and similar expenses

	Period ended 30 June 2021 £	Year ended 31 December 2019 £
Interest on bank overdrafts and loans	-	2,803
Interest payable to group undertakings	2,319,876	1,346,025
	2,319,876	1,348,828

11 Taxation

	Period ended 30 June 2021 £	Year ended 31 December 2019 £
Current tax		
UK corporation tax on profits for the current period	869,245	990,820
Adjustments in respect of prior periods	(13,107)	(709)
Total current tax	856,138	990,111
Deferred tax		
Origination and reversal of timing differences	255,162	(157,522)
Changes in tax rates	451,216	-
Adjustment in respect of prior periods	44,017	49,049
Total deferred tax	750,395	(108,473)
Total tax charge	1,606,533	881,638

In the March 2021 Budget it was announced that the standard rate of corporation tax would remain at 19%, increasing to 25% from 1 April 2023.

The total tax charge for the period included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	Period ended 30 June 2021 £	Year ended 31 December 2019 £
Profit before taxation	6,170,336	6,046,423
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	1,172,364	1,148,820
Tax effect of expenses that are not deductible in determining taxable profit	146,780	69,550
Tax effect of income not taxable in determining taxable profit	-	(624)
Adjustments in respect of prior years	(13,107)	(709)
Effect of change in corporation tax rate	-	18,531
Group relief	(255,975)	(400,892)
Deferred tax adjustments in respect of prior years	44,017	49,049
Remeasurement of deferred tax for changes in tax rates	512,454	-
Deduction for land remediation expenditure	-	(2,087)
Taxation charge for the period	1,606,533	881,638

12 Tangible fixed assets

	Freehold land and buildings	Assets under construction	Fixtures and fittings	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2020	31,035,796	4,326,815	5,080,157	831,454	1,100,349	42,374,571
Additions	62,667	7,685,969	2,191,964	677,060	323,455	10,941,115
Disposals	-	-	-	-	(110,756)	(110,756)
Transfers	-	(258,106)	-	258,106	-	-
At 30 June 2021	31,098,463	11,754,678	7,272,121	1,766,620	1,313,048	53,204,930
Depreciation and impairment						
At 1 January 2020	6,535,313	-	2,034,331	355,725	446,297	9,371,666
Depreciation charged in the period	905,486	-	1,654,708	694,310	208,466	3,462,970
Eliminated in respect of disposals	-	-	-	-	(76,813)	(76,813)
At 30 June 2021	7,440,799	-	3,689,039	1,050,035	577,950	12,757,823
Carrying amount						
At 30 June 2021	23,657,664	11,754,678	3,583,082	716,585	735,098	40,447,107
At 31 December 2019	24,500,483	4,326,815	3,045,826	475,729	654,052	33,002,905

12 Tangible fixed assets (Continued)

The company has provided security against all assets including all tangible fixed assets with a net book value of £40,447,107 (31 December 2019 - £33,002,905) to secure the group's banking facilities.

13 Debtors

	30 June 2021	31 December 2019
Amounts falling due within one year:	£	£
Trade debtors	4,611,952	8,115,898
Corporation tax recoverable	315,989	-
Amounts owed by group undertakings	15,330,606	14,433,040
Other debtors	262,525	97,674
Prepayments and accrued income	1,326,857	1,420,402
	21,847,929	24,067,014

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

14 Creditors: amounts falling due within one year

	30 June 2021	31 December 2019
	£	£
Trade creditors	596,297	972,500
Amounts due to participating interests	8,600	8,600
Amounts due to group undertakings	31,222,165	34,046,490
Corporation tax	-	(117,624)
Other taxation and social security	709,377	612,218
Other creditors	778,917	453,588
Accruals and deferred income	6,340,619	6,436,306
	39,655,975	42,412,078

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

15 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 30 June 2021	Liabilities 31 December 2019
Balances:	£	£
Accelerated capital allowances	1,665,211	914,816

15 Deferred taxation (Continued)

Movements in the period:	2021 £
Liability at 1 January 2020	914,816
Charge to profit or loss	750,395
Liability at 30 June 2021	1,665,211

The deferred tax liability of £1,665,211 (31 December 2019 - £914,816) is expected to reverse over a period greater than 12 months and relates to accelerated capital allowances.

16 Retirement benefit schemes

Defined contribution schemes
The company operates a defined contribution pension scheme for the benefit of employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total contributions payable by the company in the period in respect of this scheme amounted to £964,467 (year ended 31 December 2019 - £686,525). The total balance of pension contributions outstanding at the period end is £147,062 (31 December 2019 - £58,945).

Teachers' Pension Scheme
The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 and Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Employer and employee contribution rates
The employer contribution rate was set at 23.68% (including a 0.08% administration fees), compared to 16.48% during the prior year with an employer cost cap of 10.9% of pensionable pay.

The Department of Education has also devolved the scheme administration costs to scheme employers in the form of an administration charge of 0.08% of the employers' salary costs which has resulted in a total employer payment rate of 23.68%.

The next revision to the employer contribution rate is not expected to take effect until 1 April 2023. This will follow on from the previous actuarial valuation which happened on 31 March 2016. This valuation determined the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

The pension costs paid to TPS in the period amounted to £335,979 (year ended 31 December 2019 - £148,717). The total balance of pension contributions outstanding at the period end is £21,195 (31 December 2019 - £11,841).

Under current UK GAAP, the TPS is a multi-employer pension scheme. The company is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the company has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The company has set out above the information available on the scheme and the implications for the company in terms of the anticipated rates.

17 Share capital

	30 June 2021	31 December 2019
Ordinary share capital	**£**	**£**
Issued and fully paid		
2 Ordinary shares of £1 each	2	2

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

18 Reserves

Profit and loss reserves
Cumulative profit and loss net of distributions to owners.

19 Financial commitments, guarantees and contingent liabilities

There is a cross guarantee in place between The Hesley Group Limited, Hesley Care & Education Limited and Hesley Holdings Limited. At the reporting date, the maximum liability that could have arisen under this guarantee was £nil (31 December 2019 - £nil). The directors consider that it is unlikely that the guarantee will give rise to an actual liability to the company.

20 Capital commitments

Amounts contracted for but not provided in the financial statements:

	30 June 2021	31 December 2019
	£	£
Acquisition of tangible fixed assets	962,673	3,620,232

21 Related party transactions

During the period the company invoiced Kisimul Group Limited £234,576 (year ended 31 December 2019 - £234,576) in respect of the costs and expenses of the company's senior management team. The company's senior management team provided management services and advice to Kisimul Group Limited during the period. Both entities share the same ultimate parent company, Cedar Luxco S.a.r.l., a company registered in Luxembourg. At the reporting date £268,138 (31 December 2019 - £98,882) was outstanding in relation to these costs.

22 Directors' transactions

At 30 June 2021, £33 (31 December 2019 - £33) was owed by the company to each of C McSharry and D Maynard, directors of the company, and J Lloyd, a former company director. No interest is charged on the balances and they are repayable on demand.

At 30 June 2021, £1,058 (31 December 2019 - £nil) was owed to the company by C McSharry, a director of the company. No interest is charged on the balance and it is repayable on demand.

23 Ultimate controlling party

Hesley Care & Education Limited, a company incorporated in the United Kingdom, is the immediate parent company.

Cedar Luxco S.a.r.l., a company registered in Luxembourg, is the ultimate parent company. This is the parent of the largest group for which consolidated accounts including The Hesley Group Limited are prepared. The consolidated accounts of Cedar Luxco S.a.r.l. can be obtained from the company's registered office: 37a Avenue J.F. Kennedy, Luxembourg 1855, Luxembourg.

Honour Project Holdco Limited is the parent of the smallest group for which consolidated accounts including The Hesley Group Limited are prepared. The consolidated accounts of Honour Project Holdco Limited are available from the company's registered office: Hesley Hall, Tickhill, Doncaster, DN11 9HH.