

Company Registration No. 03446822 (England and Wales)

ADVINIA HEALTH CARE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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ADVINIA HEALTH CARE LIMITED

COMPANY INFORMATION

Directors	Dr S Kanoria (Chairman) Mrs S Kanoria Mr A Verma (Non-executive director)
Company number	03446822
Registered office	Gateway House (First Floor) 324 Regents Park Road London N3 2LN
Auditors	Gerald Edelman 73 Cornhill London EC3V 3QQ

ADVINIA HEALTH CARE LIMITED

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ADVINIA HEALTH CARE LIMITED

GROUP STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the group strategic report for the year ended 31 March 2021.

Business overview and results

Advinia Health Care Limited (the "company") is a leading care home operator. The company and its subsidiaries (the "group" or "Advinia") operate 22 care homes in England and 13 care homes in Scotland, with approximately 3,300 beds in total, currently providing employment to more than 3,300 staff.

Despite the impact of COVID-19, group turnover and other operating income in the financial year ended 31 March 2021 increased to £105,059,890 (2020: £103,199,749). Group EBITDA (excluding non-recurring items) increased by 9% to £14,891,242 (2020: £13,679,993). This was achieved by a continual focus on optimising occupancy during the pandemic and securing appropriate staffing and operational cost efficiencies, whilst maximising average weekly fees ("AWF"). In addition, the group qualified for and received various government grants to support physical occupancy reductions and increased costs as a direct result of COVID-19.

The group's comprehensive income for the year ended 31 March 2021 was £21,215,854 (2020: £2,898,794), primarily as a result of property revaluations. As at 31 March 2021, the group's net assets increased to £43,646,000 (2020: £22,430,146). The group did not extend its borrowings through the government CBILS schemes and reduced its senior debt by £5,400,000 during the financial year, with a further reduction of £7,830,000 being made in May 2021.

Approximately 80% of group revenues are from state-funded Local Authorities and CCGs, which provide the group with steady, secure and timely cash inflows with the remaining 20% of revenues from higher fee-paying, self-funding residents.

Key Performance Indicators (KPIs)

During the pandemic, the group's highest priority was to ensure colleagues and residents were protected and care quality was maintained in the face of ever evolving government guidance, as well as the unprecedented challenges the pandemic created. Our colleagues have worked tirelessly throughout the pandemic and dealt with a level of adversity that has never been experienced in this sector before. At all times the group has ensured all available pay top-ups have been passed onto colleagues, as well as providing a range of mental health support. Organisational COVID-19 'Sit-Rep' reporting continues to be in place to ensure full monitoring and compliance across all pandemic related KPIs to ensure the group remains focused on minimising its impact.

The group monitors key financial and non-financial KPIs on a weekly and monthly basis through dashboard reporting. Occupancy and AWF remain key KPIs for the group. At the start of the financial year, prior to the onset of COVID-19, group average occupancy peaked at 92%. This increase in occupancy was the result of continued strong performance of the portfolio over recent years, achieving above sector average performance. AWF has grown in excess of 5% per annum over the last two years, reflecting the continued focus by management on ensuring resident fee rates are appropriate for their care needs and rates are optimised with local authorities.

Occupancy was impacted during COVID-19 across the social care sector (particularly during the first wave prior to routine testing being deployed), hence the reduction in turnover for the year. The group maintained its above-average sector performance despite this reduction. In addition to higher mortality in the first COVID-19 wave, occupancy levels have been suppressed by lower admission levels, which has been a sector wide challenge during the pandemic. However, in recent months, there are positive signs of both admissions and occupancy growth. With the further relaxation of sector restrictions, visitor rights and vaccine roll-out pace and take-up, we expect to witness further occupancy growth in the second half of 2021, reflecting the continued strong demand for care home beds supported by the continued dedicated performance of our passionate and resilient care home management teams.

As reported last year, the group has progressed its plans to open two new green field developments in partnership with Octopus Real Estate with one new home opened in April 2021 and a further opening due in August 2021. Both homes are predominately targeted at the private payer market and early signs from the first opening are very positive both in relation to occupancy and AWF levels.

ADVINIA HEALTH CARE LIMITED

GROUP STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Industry overview

Despite COVID-19, the longer-term demand remains strong for residential care homes, principally driven by the continued rising numbers of people over the age of 85. The pandemic has further highlighted the critical role played by the social care sector. Over recent years there has been a reduction in care home bed provision and the group is well positioned to further grow, both organically and through M&A activity, and the directors believe there will be opportunities in the group's segment of the market for further consolidation and scaling.

In the short-term the directors have strategies in place to ensure continued profitable growth is achieved by deploying refurbishment capex where local demand warrants such spend to further drive back occupancy. In addition, the directors have identified redevelopment opportunities within the group to expand capacity at existing homes and reposition units within existing homes to provide specialist care provision, attracting higher fee rates.

The directors continue to remain hopeful that the government will find a political consensus to reform social care funding, providing a more equitable basis for social care provision, taking account of the full costs of providing high-quality care.

Regulation compliance

The Care Quality Commission ("CQC") and The Scottish Care Inspectorate ("CI") are independent regulators of health and social care in England and Scotland, respectively. The CQC and CI regularly inspect our care homes and we have robust internal audit processes to ensure compliance. During the pandemic, in the absence of regular, full CQC and CI inspections, the group commissioned its own independent, third party mock regulatory inspections to ensure continued governance was maintained and care quality remained at the top of the agenda.

The group monitors operational KPIs in relation to regulatory and health and safety compliance, key ones being:

- Internal and external inspection ratings
- RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) and accident reporting
- Colleague hours and agency usage

Over the last few years the group has invested in and deployed technology to enhance its operations and provide a platform for future scalability. The group has deployed RADAR (care quality assurance and reporting software), eMAR (electronic medication administration), Time & Attendance (biometric colleague time recording) and is currently implementing Person Centred Software (PCS) which allows nurses and carers to record resident interactions and care plans digitally, providing ease of audit and enhanced accuracy.

ADVINIA HEALTH CARE LIMITED

GROUP STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Principal risks and risk management

Credit risk

The group's credit risk is limited as its trade receivables are from government-funded bodies such as Local Authorities, CCGs and NHS trusts, who reliably pay on time. Self-funded residents pay in advance by direct debit. There is regular monitoring and reviews of receivables by the finance and operations teams.

Liquidity risk

The group maintains liquidity and sufficient working capital for its ongoing operations and future developments. During the year and since the year end, the group has been provided with public sector funding support (grants), similar to other providers, which has been deployed to the sector to offset the additional infection control measures and associated costs (for example for PPE), in addition to incremental staffing costs and income support for the reduction in occupancy in a number of care homes.

Operational risk

The operation of the company's care homes is managed by an experienced team of senior management, regional teams and local care home managers. There are clear governance processes in place from care home level to board level to ensure regular performance reviews are undertaken across the group on a frequent basis.

Reputational risk

Reputational risk is managed through mandatory and specialist training and development of staff. All care staff are subject to rigorous recruitment checks via the Disclosure and Barring Service and Protecting Vulnerable Groups membership. The group has an online mandatory training system for all staff and clear induction processes.

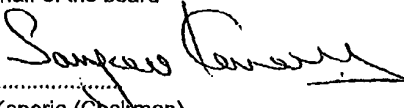
Outlook

Despite it being a challenging year due to COVID-19, the group maintained its continued strong performance and upward EBITDA growth trajectory by remaining focused on its key KPIs and ensuring any financial impact of the pandemic was minimised or subsidised. Further strengthening of the Balance Sheet was achieved by a property revaluation and the transfer of nine freehold properties into the group.

The group continues to take all steps to mitigate the impact of COVID-19 across its homes and continues to monitor the pandemic's ongoing impact. The roll out of the vaccination programme has been a success across the group. This has had a material positive impact on the reduction and near elimination of cases across our residents and colleagues. Plans are in place to ensure all colleagues have been vaccinated towards the end of the year, in line with government legislation.

The group is constantly looking for investment opportunities to further expand and take advantage of its unique positioning in the public segment of the social care sector.

On behalf of the board


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Dr S Kanoria (Chairman)
Director
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12/08/21

ADVINIA HEALTH CARE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Principal activities

The principal activity of the group continued to be that of the provision and management of long term care facilities for the elderly.

Directors

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

Dr S Kanoria (Chairman)

Mrs S Kanoria

Mr A Verma (Non-executive director)

Results and dividends

The results for the year are set out on page 11.

No ordinary dividends were paid during the year (2020: £nil). The directors do not recommend payment of a final dividend.

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 group continues and that the appropriate training is arranged. It is the policy of the group 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 group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Auditors

The auditors, Gerald Edelman, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditors

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 auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

ADVINIA HEALTH CARE LIMITED

DIRECTORS' REPORT (CONTINUED)

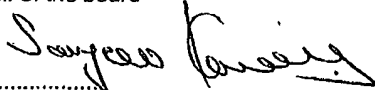
FOR THE YEAR ENDED 31 MARCH 2021

Going concern

Having reviewed the group financial forecasts and expected future cash flows, the directors have a reasonable expectation that the company and group have adequate resources available to it to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of signing of these financial statements. The directors have considered the impact of Covid-19 in their going concern assessment and have forecast occupancy growth on a prudent basis. The group meets its day to day working capital requirements through operating cash flows and through facilities provided by its stakeholders. Existing shareholders are willing to provide further financial support as they have done in the past.

Taking all matters and information into account, at the time of approving the financial statements the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The directors have therefore continued to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2021.

On behalf of the board



Dr S Kanoria (Chairman)

Director

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12/8/21

ADVINIA HEALTH CARE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, 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 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 and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ADVINIA HEALTH CARE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ADVINIA HEALTH CARE LIMITED

Opinion

We have audited the financial statements of Advinia Health Care Limited (the 'company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the group consolidated statement of comprehensive income, the group consolidated balance sheet, the group consolidated statement of changes in equity, the group consolidated statement of cash flows, the company balance sheet, the company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2021 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 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 group's and 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.

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.

ADVINIA HEALTH CARE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ADVINIA HEALTH CARE LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 and the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

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 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.

ADVINIA HEALTH CARE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ADVINIA HEALTH CARE LIMITED

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

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

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in posting of unusual journals.
- Obtaining understanding of the legal and regulatory framework the group operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act, tax legislation, employment law and, Health and Safety.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Auditing the risk of management override of controls, including through testing journal entries for appropriateness and reviewing large and unusual bank transactions.

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but are not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation.
- Enquiring of management as to actual and potential litigation claims.
- Reviewing relevant profit and loss account items for evidence of litigation.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the further removed those laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the directors.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditors' report.

ADVINIA HEALTH CARE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ADVINIA HEALTH CARE LIMITED

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.



Carl Lundberg ACA (Senior Statutory Auditor)
For and on behalf of Gerald Edelman

12 August 2021
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Chartered Accountants
Statutory Auditor

73 Cornhill
London
EC3V 3QQ

ADVINIA HEALTH CARE LIMITED

GROUP CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	3	95,839,275	102,843,481
Cost of sales		(77,541,827)	(79,832,774)
Gross profit		18,297,448	23,010,707
Administrative expenses		(22,275,487)	(17,944,816)
Other operating income		9,220,615	356,268
Operating profit		5,242,576	5,422,159
Interest receivable and similar income	7	170	16,322
Interest payable and similar expenses	8	(3,386,099)	(4,230,045)
Profit before taxation		1,856,647	1,208,436
Taxation	9	(779,767)	(321,625)
Profit for the financial year		1,076,880	886,811
Other comprehensive income			
Revaluation of tangible fixed assets		24,862,931	7,500,000
Movement to reserves during the year		-	(4,063,017)
Tax relating to other comprehensive income		(4,723,957)	(1,425,000)
Total comprehensive income for the year		21,215,854	2,898,794

Total comprehensive income for the year is all attributable to the owners of the parent company.

The Group Consolidated Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

Non-GAAP measure: (Adjusted) Earnings Before Interest, Tax, Depreciation and Amortisation ((Adjusted) EBITDA)

Analysed as:			
Operating profit analysed above		5,242,576	5,422,159
Add back: depreciation of tangible fixed assets and amortisation of intangible assets		7,177,250	5,344,456
Deduct: amortisation of negative goodwill		(2,359,668)	(2,359,668)
EBITDA		10,060,158	8,406,947
Add back: Non-recurring items*	4	4,831,084	5,273,046
Adjusted EBITDA		14,891,242	13,679,993

* Non-recurring items does not include income received or expenditure incurred as a result of the Covid-19 pandemic.

ADVINIA HEALTH CARE LIMITED

GROUP CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Goodwill	10	388,912		1,166,751	
Negative goodwill	10	(9,748,430)		(6,933,543)	
Net goodwill		(9,359,518)		(5,766,792)	
Intangible assets	10	1,001,771		1,017,436	
Total intangible assets		(8,357,747)		(4,749,356)	
Tangible assets	11	135,470,959		95,886,150	
		127,113,212		91,136,794	
Current assets					
Debtors	15	8,946,833		10,906,060	
Cash at bank and in hand		8,474,915		4,288,024	
		17,421,748		15,194,084	
Creditors: amounts falling due within one year	16	(27,597,357)		(21,478,338)	
Net current liabilities		(10,175,609)		(6,284,254)	
Total assets less current liabilities		116,937,603		84,852,540	
Creditors: amounts falling due after more than one year	17	(60,235,627)		(54,090,775)	
Provisions for liabilities	19	(13,055,976)		(8,331,619)	
Net assets		43,646,000		22,430,146	
Capital and reserves					
Called up share capital	21	5,000,000		5,000,000	
Revaluation reserve		31,252,573		11,113,599	
Merger reserve		847,538		847,538	
Profit and loss reserves		6,545,889		5,469,009	
Total equity		43,646,000		22,430,146	

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

.....
Dr S Kanoria (Chairman)
Director

12/8/21

ADVINIA HEALTH CARE LIMITED

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

	Notes	Share capital £	Revaluation reserve £	Merger reserves	Profit and loss reserves £	Total £
Balance at 1 April 2019		1,000,000	5,038,599	4,910,555	4,582,198	15,531,352
Year ended 31 March 2020:						
Profit for the year		-	-	-	886,811	886,811
Other comprehensive income:						
Revaluation of tangible fixed assets		-	7,500,000	-	-	7,500,000
Movement to reserves during the year		-	-	(4,063,017)	-	(4,063,017)
Tax relating to other comprehensive income		-	(1,425,000)	-	-	(1,425,000)
Total comprehensive income for the year		-	6,075,000	847,538	886,811	2,898,794
Issue of shares	21	4,000,000	-	-	-	4,000,000
Balance at 31 March 2020		5,000,000	11,113,599	847,538	5,469,009	22,430,146
Year ended 31 March 2021:						
Profit for the year		-	-	-	1,076,880	1,076,880
Other comprehensive income:						
Revaluation of tangible fixed assets		-	24,862,931	-	-	24,862,931
Tax relating to other comprehensive income		-	(4,723,957)	-	-	(4,723,957)
Total comprehensive income for the year		-	20,138,974	-	1,076,880	21,215,854
Balance at 31 March 2021		5,000,000	31,252,573	847,538	6,545,889	43,646,000

ADVINIA HEALTH CARE LIMITED

GROUP CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	25	16,091,479		10,841,311	
Interest paid		(3,145,803)		(3,899,728)	
Income taxes paid		(337,990)		(339,282)	
Net cash inflow from operating activities		<u>12,607,686</u>		<u>6,602,301</u>	
Investing activities					
Purchase of intangible assets		(39,510)		(368,672)	
Purchase of tangible fixed assets		(2,981,455)		(3,247,354)	
Interest received		170		16,322	
Net cash used in investing activities		<u>(3,020,795)</u>		<u>(3,599,704)</u>	
Financing activities					
Repayment of bank loan		(5,400,000)		(2,700,000)	
Net cash used in financing activities		<u>(5,400,000)</u>		<u>(2,700,000)</u>	
Net increase in cash and cash equivalents		<u>4,186,891</u>		<u>302,597</u>	
Cash and cash equivalents at beginning of year		4,288,024		3,985,427	
Cash and cash equivalents at end of year		<u><u>8,474,915</u></u>		<u><u>4,288,024</u></u>	

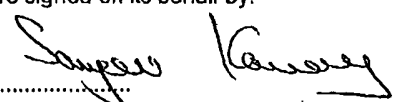
ADVINIA HEALTH CARE LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	10	986,363		1,017,436	
Tangible assets	11	18,138,745		8,230,563	
Investments	12	58,508,642		63,683,196	
		<u>77,633,750</u>		<u>72,931,195</u>	
Current assets					
Debtors	15	1,900,637		5,344,817	
Cash at bank and in hand		5,539,083		2,220,121	
		<u>7,439,720</u>		<u>7,564,938</u>	
Creditors: amounts falling due within one year	16	(21,953,051)		(22,029,068)	
Net current liabilities		<u>(14,513,331)</u>		<u>(14,464,130)</u>	
Total assets less current liabilities		<u>63,120,419</u>		<u>58,467,065</u>	
Creditors: amounts falling due after more than one year	17	(56,359,244)		(54,090,775)	
Provisions for liabilities	19	(142,883)		(891,828)	
Net assets		<u>6,618,292</u>		<u>3,484,462</u>	
Capital and reserves					
Called up share capital	21	5,000,000		5,000,000	
Revaluation reserve		1,404,806		4,597,677	
Profit and loss reserves		213,486		(6,113,215)	
Total equity		<u>6,618,292</u>		<u>3,484,462</u>	

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



 Dr S Kanoria (Chairman)
 Director

12/8/21

Company Registration No. 03446822

ADVINIA HEALTH CARE LIMITED

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

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2019		1,000,000	4,597,677	(2,315,855)	3,281,822
Year ended 31 March 2020:					
Loss and total comprehensive income for the year		-	-	(3,797,360)	(3,797,360)
Issue of shares	21	4,000,000	-	-	4,000,000
Balance at 31 March 2020		5,000,000	4,597,677	(6,113,215)	3,484,462
Year ended 31 March 2021:					
Profit for the year		-	-	6,326,701	6,326,701
Other comprehensive income:					
Revaluation of tangible fixed assets		-	(3,941,816)	-	(3,941,816)
Tax relating to other comprehensive income		-	748,945	-	748,945
Total comprehensive income for the year		-	(3,192,871)	6,326,701	3,133,830
Balance at 31 March 2021		5,000,000	1,404,806	213,486	6,618,292

ADVINIA HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Advinia Health Care Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Gateway House (First Floor), 324 Regents Park Road, London, N3 2LN.

The group consists of Advinia Health Care Limited and its subsidiaries.

1.1 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.

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 under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's total comprehensive profit for the year was £3,133,830 (2020: loss £3,797,360) while, as presented on page 8, the group's consolidated total turnover for the year was £95,839,275 (2020: £102,843,481) and the group's consolidated total comprehensive income for the year was £21,215,854 (2020: £2,898,794).

The consolidated financial statements incorporate those of Advinia Health Care Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 March 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

ADVINIA HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.2 Going concern

The financial statements have been prepared on the going concern basis. At the balance sheet date, the group had net current liabilities of £10,175,609 (2020: net current liabilities of £6,284,254) and net assets of £43,646,000 (2020: £22,430,146).

In arriving at their conclusion on the going concern status of the business, management have considered the group's financial position and given careful attention to its net current liability position at the balance sheet date.

Having reviewed the group financial forecasts and expected future cash flows, the directors have a reasonable expectation that the company and group have adequate resources available to it to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of signing of these financial statements. The directors have considered the impact of Covid-19 in their going concern assessment and have forecast occupancy growth on a prudent basis. The group meets its day to day working capital requirements through operating cash flows and through facilities provided by its stakeholders. Existing shareholders are willing to provide further financial support as they have done in the past.

Based on this, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.3 Turnover

Turnover represents amounts receivable for the provision of services in relation to the care homes. Income is recognised on the day the service is provided.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Negative goodwill represents the excess of fair value of net assets acquired over the cost of acquisition of a business. It is recognised separately as part of the goodwill balance and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which has been estimated at 5 years for the negative goodwill and 10 years for the positive goodwill.

1.5 Research and development

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Software	20 years - Straight Line
Development costs	20 years - Straight Line

1.6 Tangible fixed assets

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

ADVINIA HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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

Freehold land and buildings	2% straight line on the value of buildings
Fixtures, fittings & equipment	33.3% straight line

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 recognised in the profit and loss account. Assets under construction are not depreciated until they are brought into use.

1.7 Fixed asset investments

In the company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ADVINIA HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.10 Financial Instruments

The group 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 in the group's consolidated balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 debtors 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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 group 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 group after deducting all of its liabilities.

ADVINIA HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity Instruments

Equity instruments issued by the group are recorded at the 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 group.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

ADVINIA HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

ADVINIA HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

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

Fair value of Property, Plant and Equipment

The group's property, plant and equipment are measured using the fair value model and stated at their fair value as at the reporting date. The directors have used market evidence to assess an appropriate value at the year end.

Amortisation and depreciation

The directors estimate the useful lives and residual values of goodwill and property, plant & equipment in order to calculate the amortisation and depreciation charges. Changes in these estimates could result in changes being required to the annual charges in the Statement of Comprehensive Income and the carrying values of these assets in the Balance Sheet.

Impairment of assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value and any risks specific to the asset are also assessed. Impairment losses of continuing operations are recognized in the profit or loss in those expense categories consistent with the function of the impaired asset.

Deferred tax liability

The group estimates future profitability in arriving at the fair value of the deferred tax assets and liabilities. If the final tax outcome is different to the estimated deferred tax amount, the resulting changes will be reflected in the statement of comprehensive income, unless the tax relates to an item charged to equity in which case the changes in tax estimates will also be reflected in equity.

Fair Value of Land and buildings

The group's land and buildings are measured using the fair value model and stated at their fair value as at the reporting date. The directors have used market evidence to assess an appropriate value at the year end.

ADVINIA HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Turnover

The turnover received for the provision of care home services is as follows:

	2021 £	2020 £
Care homes	95,839,275	102,843,481
Other significant revenue		
Interest income	170	16,322
Grants received	8,733,327	-

Turnover analysed by geographical market

	2021 £	2020 £
United Kingdom	95,839,275	102,843,481

4 Non-recurring Items

	2021 £	2020 £
IT integration costs	264,270	197,750
Legal and professional fees	3,377,969	1,713,086
Temporary staff for integration	20,344	1,133,976
Adjustment of loan balances	1,059,620	2,228,234
Other costs	108,881	-
Total	4,831,084	5,273,046

Non-recurring costs relate to costs incurred in respect of the integration and operation of the care homes, particularly those acquired in February 2018, as well as costs incurred due to adjustments to loan balances.

5 Auditors' remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	100,000	85,000
For other services		
Taxation compliance services	15,000	11,600

ADVINIA HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Employees

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

	2021 Number	2020 Number
Operations	3,657	3,879

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	66,090,911	68,248,001
Social security costs	4,909,397	4,716,434
Pension costs	982,557	992,074
	<u>71,982,865</u>	<u>73,956,509</u>

7 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	170	16,322

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>170</u>	<u>16,322</u>
--	------------	---------------

8 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	3,055,150	3,860,185
Other finance costs:		
Finance costs for financial instruments measured at fair value through profit or loss	330,949	369,860
Total finance costs	<u>3,386,099</u>	<u>4,230,045</u>

ADVINIA HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	779,767	511,734
Adjustments in respect of prior periods	-	(458,129)
Total current tax	<u>779,767</u>	<u>53,605</u>
Deferred tax		
Origination and reversal of timing differences	-	268,020
Total tax charge for the year	<u>779,767</u>	<u>321,625</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	<u>1,856,647</u>	<u>1,208,436</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	352,763	229,603
Tax effect of expenses that are not deductible in determining taxable profit	171,847	826,773
Tax effect of income not taxable in determining taxable profit	-	(3,101)
Permanent capital allowances in excess of depreciation	(638,207)	(689,342)
Depreciation on assets not qualifying for tax allowances	1,205,404	885,142
Amortisation on assets not qualifying for tax allowances	(290,070)	(288,032)
Under/(over) provided in prior years	-	(458,129)
Non-trading loan relationship deficit	-	(514,788)
Other taxation adjustments	(21,970)	65,479
Other change in deferred tax liability on tangible assets	-	268,020
Taxation charge for the year	<u>779,767</u>	<u>321,625</u>

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2021 £	2020 £
Deferred tax arising on:		
Revaluation of property	<u>4,723,957</u>	<u>1,425,000</u>

ADVINIA HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Intangible fixed assets

Group	Goodwill	Negative goodwill	Software	Development costs	Total
	£	£	£	£	£
Cost					
At 1 April 2020	7,778,363	(11,798,338)	-	1,083,308	(2,936,667)
Additions - separately acquired	-	-	15,443	24,067	39,510
Cost adjustment	-	(5,174,554)	-	-	(5,174,554)
At 31 March 2021	7,778,363	(16,972,892)	15,443	1,107,375	(8,071,711)
Amortisation and Impairment					
At 1 April 2020	6,611,610	(4,864,794)	-	65,872	1,812,688
Amortisation charged for the year	777,841	(2,359,668)	35	55,140	(1,526,652)
At 31 March 2021	7,389,451	(7,224,462)	35	121,012	286,036
Carrying amount					
At 31 March 2021	388,912	(9,748,430)	15,408	986,363	(8,357,747)
At 31 March 2020	1,166,751	(6,933,543)	-	1,017,436	(4,749,356)

Company

Development costs

	£
Cost	
At 1 April 2020	1,083,308
Additions - separately acquired	24,067
At 31 March 2021	1,107,375
Amortisation and Impairment	
At 1 April 2020	65,872
Amortisation charged for the year	55,140
At 31 March 2021	121,012
Carrying amount	
At 31 March 2021	986,363
At 31 March 2020	1,017,436

ADVINIA HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Tangible fixed assets

Group	Freehold land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2020	74,507,162	32,565,344	107,072,506
Additions	18,205,128	2,860,983	21,066,111
Revaluation	24,862,931	-	24,862,931
At 31 March 2021	117,575,221	35,426,327	153,001,548
Depreciation and impairment			
At 1 April 2020	2,174,455	9,011,900	11,186,355
Depreciation charged in the year	1,563,456	4,780,778	6,344,234
At 31 March 2021	3,737,911	13,792,678	17,530,589
Carrying amount			
At 31 March 2021	113,837,310	21,633,649	135,470,959
At 31 March 2020	72,332,706	23,553,444	95,886,150
Company			
	Freehold land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2020	6,480,000	3,570,983	10,050,983
Additions	14,328,745	521,434	14,850,179
Revaluation	(3,941,816)	-	(3,941,816)
At 31 March 2021	16,866,929	4,092,417	20,959,346
Depreciation and impairment			
At 1 April 2020	328,227	1,492,193	1,820,420
Depreciation charged in the year	114,864	885,317	1,000,181
At 31 March 2021	443,091	2,377,510	2,820,601
Carrying amount			
At 31 March 2021	16,423,838	1,714,907	18,138,745
At 31 March 2020	6,151,773	2,078,790	8,230,563

ADVINIA HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	13	-	-	58,508,642	63,683,196

Movements in fixed asset investments Company

	Shares £
Cost	
At 31 March 2020	63,683,196
Cost adjustment	(5,174,554)
At 31 March 2021	58,508,642
Carrying amount	
At 31 March 2021	58,508,642
At 31 March 2020	63,683,196

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct
Roseacres Care Home Limited	England & Wales	Care home operator	Ordinary	100.00
Annan Court Care Home Limited	England & Wales	Care home operator	Ordinary	100.00
Goldielea Care Home Limited	England & Wales	Care home operator	Ordinary	100.00
Kingsway Care Home Limited	England & Wales	Care home operator	Ordinary	100.00
Longwood Care Home Limited	England & Wales	Care home operator	Ordinary	100.00
Priory Supporting Care Limited	England & Wales	Care home operator	Ordinary	100.00
Woodstock Care Home Limited	England & Wales	Care home operator	Ordinary	100.00
Barrock Court Care Home Limited	England & Wales	Care home operator	Ordinary	100.00
Roberttown Care Home Limited	England & Wales	Care home operator	Ordinary	100.00
Woodfield Care Home Limited	England & Wales	Care home operator	Ordinary	100.00
Madeira Care Home Limited	England & Wales	Care home operator	Ordinary	100.00
Maycroft Care Home Limited	England & Wales	Care home operator	Ordinary	100.00
Advinia Care Homes Limited	England & Wales	Care home operator	Ordinary	100.00

ADVINIA HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Financial instruments

	Group 2021 £	2020 £	Company 2021 £	2020 £
Carrying amount of financial assets				
Debt Instruments measured at amortised cost	7,427,224	9,423,646	855,867	4,328,619
Carrying amount of financial liabilities				
Measured at amortised cost	82,240,099	72,657,332	77,147,421	75,281,948

15 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	4,186,020	3,786,073	393,172	179,738
Other debtors	675,562	2,886,589	411,256	4,139,576
Prepayments and accrued income	4,085,251	4,233,398	1,096,209	1,025,503
	8,946,833	10,906,060	1,900,637	5,344,817

16 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts		7,830,000	5,400,000	7,830,000	5,400,000
Trade creditors		5,008,387	3,633,225	1,206,719	680,733
Amounts due to group undertakings		-	-	9,548,863	13,544,871
Corporation tax payable		1,322,871	881,894	467,665	511,734
Other taxation and social security		3,665,039	2,029,887	660,815	326,161
Deferred Income		604,975	-	36,394	-
Other creditors		4,969,042	4,609,630	1,058,295	1,101,717
Accruals and deferred income		4,197,043	4,923,702	1,144,300	463,852
		27,597,357	21,478,338	21,953,051	22,029,068

17 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	18	43,070,000	50,900,000	43,070,000	50,900,000
Other borrowings	18	13,974,852	-	10,098,469	-
Other creditors		3,190,775	3,190,775	3,190,775	3,190,775
		60,235,627	54,090,775	56,359,244	54,090,775

ADVINIA HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	50,900,000	56,300,000	50,900,000	56,300,000
Loans from related parties	13,974,852	-	10,098,469	-
	<u>64,874,852</u>	<u>56,300,000</u>	<u>60,998,469</u>	<u>56,300,000</u>
Payable within one year	7,830,000	5,400,000	7,830,000	5,400,000
Payable after one year	<u>57,044,852</u>	<u>50,900,000</u>	<u>53,168,469</u>	<u>50,900,000</u>

Bank loans

On 14 February 2018, the group entered into a senior facilities agreement with Credit Suisse for £59,000,000. The facility is comprised of a term loan facility of £54,000,000 and a revolving facility of £5,000,000. The facilities bear interest at LIBOR plus a margin between 4.75% and 5.25%.

Subsequent to the year end the group has repaid £7,830,000 of the term facility loan in line with the schedule below.

The bank loans are secured by group companies.

The loan has the following repayment schedule:

15 May 2019	5.0% of term facility loan (paid)
15 May 2020	10.0% of term facility loan (paid)
15 May 2021	14.5% of term facility loan (paid)
15 May 2022	17.5% of term facility loan
14 Feb 2023 (Termination date)	100.0% of the outstanding loan balance

19 Deferred taxation

Deferred tax assets and liabilities are offset where the group or 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:

Group	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	2,192,275	2,192,275
Revaluations	6,905,475	2,181,118
Fair value movements	<u>3,958,226</u>	<u>3,958,226</u>
	<u>13,055,976</u>	<u>8,331,619</u>

ADVINIA HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

19 Deferred taxation (Continued)

	Liabilities 2021 £	Liabilities 2020 £
Company		
Accelerated capital allowances	226,019	226,019
Revaluations	(83,136)	665,809
	<u>142,883</u>	<u>891,828</u>

Deferred tax on revaluations would only become payable if the revalued fixed assets were to be sold at their carrying value.

20 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>982,557</u>	<u>1,020,900</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

21 Share capital

	Group and company 2021 £	2020 £
Ordinary share capital		
Issued and fully paid		
5,000,000 Ordinary of £1 each	<u>5,000,000</u>	<u>5,000,000</u>

22 Operating lease commitments

Lessee

At the reporting date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	36,908	52,901	27,826	28,843
Between two and five years	27,192	104,321	-	27,826
In over five years	-	15,794	-	-
	<u>64,100</u>	<u>173,016</u>	<u>27,826</u>	<u>56,669</u>

ADVINIA HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Related party transactions

Group and company

The group and company have taken advantage of the exemption under terms of FRS102 not to disclose related party transactions with wholly owned subsidiaries within the group.

24 Controlling party

The ultimate controlling parties are the trustees of the Paraman Trust Settlement.

25 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	1,076,880	886,811
Adjustments for:		
Taxation charged	779,767	321,625
Finance costs	3,386,099	4,230,045
Investment income	(170)	(16,322)
Amortisation and impairment of intangible assets	(1,526,652)	(1,515,959)
Depreciation and impairment of tangible fixed assets	6,344,234	4,500,747
Movements in working capital:		
Decrease in debtors	1,958,827	11,117,710
Increase/(decrease) in creditors	3,467,519	(8,683,346)
Increase in deferred income	(604,975)	-
Cash generated from operations	16,091,479	10,841,311

26 Analysis of changes in net debt - group

	1 April 2020 £	Cash flows £	Other non-cash changes £	31 March 2021 £
Cash at bank and in hand	4,288,024	4,186,891	-	8,474,915
Bank borrowings excluding overdrafts	(56,300,000)	5,400,000	-	(50,900,000)
Other borrowings excluding overdrafts	-	-	(13,974,852)	(13,974,852)
	<u>(52,011,976)</u>	<u>9,586,891</u>	<u>(13,974,852)</u>	<u>(56,399,937)</u>

ADVINIA HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

27 Analysis of changes in net debt - company

	1 April 2020	Cash flows	Other non-cash changes	31 March 2021
	£	£	£	£
Cash at bank and in hand	2,220,121	3,318,962	-	5,539,083
Bank borrowings excluding overdrafts	(56,300,000)	5,400,000	-	(50,900,000)
Other borrowings excluding overdrafts	-	-	(10,098,469)	(10,098,469)
	<u>(54,079,879)</u>	<u>8,718,962</u>	<u>(10,098,469)</u>	<u>(55,459,386)</u>

APPENDIX II

AUDIT ADJUSTMENT JOURNALS 2021

<u>Company</u>	Tab
Group	<u>1</u>
Advinla Health Care	<u>2</u>