

Company Registration No. 03920021 (England and Wales)

**WNF GROUP LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# WNF GROUP LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr G Clough Mrs M A Clough Mr S Clough Mr S M Drewitt
<b>Secretary</b>	Mr S Clough
<b>Company number</b>	03920021
<b>Registered office</b>	Millennium House Station Lane Featherstone Pontefract West Yorkshire WF7 5BA
<b>Auditor</b>	Haigh Accountants Limited Grange Cottage Fulham Lane Womersley Doncaster DN6 9BW
<b>Business address</b>	Millennium House Station Lane Featherstone Pontefract West Yorkshire WF7 5BA
<b>Bankers</b>	Yorkshire Bank 94 Albion Street Leeds West Yorkshire LS1 6AG

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# **WNF GROUP LIMITED**

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# WNF GROUP LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 MARCH 2021**

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

### **Fair review of the business**

WNF's primary focus is supplying and managing housing and care home stock, mainly for the social care market. This is a highly competitive market and WNF operates as a small organisation that works in close conjunction with a local social care provider. The ongoing political uncertainty and environment has made it difficult to make long term investment decisions in this market but WNF has continued to invest where appropriate. As the year came to an end the Coronavirus pandemic meant that the company had to rapidly move to working from home for back office functions and significantly increase hygiene precautions within services.

The trading subsidiary continues to focus on its primary service as providing support for people with learning disabilities. Due to government funding and austerity measures, this continues to be a very challenging market. The future provision of learning disabilities looks very different and the company has undergone a large strategic review and plans to position itself in a different market space in the future. This review has allowed the organisation to be clearer in its offering and it has now positioned itself in an area of the market it can excel. The longer term impact of the Coronavirus pandemic on both funding and the way support is delivered is not yet clear but is constantly monitored.

### **Principal risks and uncertainties**

- Brexit and the effect this will have on both the property and investment markets
- Any change in government or policy around housing benefit or social care direction
- Surge in house building that could affect long term house prices
- Bad tenants that do not pay or damage property
- Performance of social care provider it works with
- Increasing costs to maintain property

The care market continues to be challenging and austerity will remain for many years, different councils have different approaches and this has proved difficult to manage. However, despite this, the initial early deep cuts seem to have eased off, but in the supported living side of the business the margins are difficult.

Furthermore, the group is also impacted by a variety of other risks and uncertainties to its trading subsidiary, including, but not limited to:

- ability of the company to implement its strategy, priorities and initiatives
- lack of referrals from local authorities
- ability to maintain and enhance the value of the group's brand
- withdrawal of care packages by local authorities, in favour of cheaper providers, who may not offer the same level of care and attention
- ability to identify, develop, and market new services
- changes in economic conditions
- changes in central and local government policies
- changes in regulatory and statutory laws, particularly around the provision of care for people
- credit risks, including the ability to manage working capital and collect outstanding customer receivables
- reliance on information technology systems

## **WNF GROUP LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2021**

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#### **Risk Management**

##### **Price Risk**

The group constantly reviews both its own and supplier prices and national minimum/living wage requirements. The group maintains its own human resources department and uses a range of suppliers for each area of provision to ensure that market prices for purchases are achieved.

##### **Credit Risk**

The group mainly trades with long standing customers, the nature of these relationships assist management in controlling its credit risk in addition to the normal credit management processes.

##### **Liquidity Risk**

The group finances its operations through retained earnings from previous years. Cash assets are invested safely to ensure the funding to meet expenditure commitments is available. Management control and monitor the group's cash flow on a regular basis, including forecasting future cash flows.

##### **Currency Risk**

The group is not exposed to foreign currency exchange rate risks.

#### **Development and performance - highlights of the year**

In the company:-

- Work progressed on the redevelopment of the Sunnyview property into 3 self contained properties for people with complex histories inline with the long term growth plans for the business.
- Appointed a housing manager with significant experience of working in the supported housing sector.
- Acquired first property in the West Midlands as part of the business growth plan.

In the trading subsidiary:-

- Successfully managed to deliver services safely throughout the Covid 19 pandemic.
- Commissioner relationships have continued to evolve and new relationships made inline with the strategic goals of the business particularly in the West Midlands.
- Redesigned the Community Hub service to deliver person centred support through a wide range of activities in the community rather than a traditional building based day service.
- Continued to transition people with complex histories into the bespoke properties that were developed at Margarets Close in Knottingley.

#### **Future Developments**

In the company:-

- Completion of the redevelopment of the Sunnyview property into 3 self contained properties for people with complex histories inline with the long term growth plans for the business
- Broadening the housing routes on offer including development, acquisition, shared ownership and working with housing partners
- Further acquisitions in the West Midlands to support the business growth plans

In the trading subsidiary:-

- Increasing the number of people with complex histories that are supported including expanding in areas outside of West Yorkshire
- Expanding the number of people who can access the Community Enterprise services

## **WNF GROUP LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2021***

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#### **Key performance indicators**

The Directors consider the Key Performance Indicators for the group to be turnover, gross profit percentage and profit before tax. This year's results for the group show turnover of £11.0m (2020: £10.4m), gross profit percentage of 14.0% (2020: 24.0%) and profit before tax of £0.2m (2020: £0.9m).

The balance sheet of the group is very healthy with cash at bank of £3.5m (2020: £3.2m), net current assets of £2.5m (2020: £3.0m) and net assets of £12.3m (2020: £12.3m). The majority of all of these amounts originate from the company's balance sheet, which means it too, is very strong.

#### **Other performance indicators**

The company has taken advantage of the exemption available to medium-sized companies not to disclose 'non-financial' key performance indicators.

On behalf of the board

Mr S Clough

**Director**

16 December 2021

# **WNF GROUP LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 MARCH 2021***

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

### **Principal activities**

The principal activity of the group continues to be the provision of residential and non-residential care and support of people with learning difficulties and challenging behaviour.

### **Results and dividends**

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £215,000. The directors do not recommend payment of a further dividend.

### **Directors**

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

Mr G Clough  
Mrs M A Clough  
Mr S Clough  
Mr S M Drewitt

### **Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. 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 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.

### **Auditor**

The auditor, Haigh Accountants Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

## **WNF GROUP LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2021**

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#### **Statement of directors' responsibilities**

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 ;
- prepare the 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.

#### **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 auditor of the company is 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 auditor of the company is aware of that information.

On behalf of the board

Mr S Clough  
**Director**

16 December 2021



# WNF GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF WNF GROUP LIMITED

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#### Opinion

We have audited the financial statements of WNF Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the group statement of income and retained earnings, the group balance sheet, the company balance sheet, the group statement of cash flows 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 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 *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 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.

#### 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.

# **WNF GROUP LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF WNF GROUP LIMITED**

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

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report 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.

#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities including fraud.

The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

By focusing on material amounts and disclosures and using a risk-based approach, we have a reasonable chance of detecting material misstatements due to irregularities including fraud. However, due to the sampling method of testing, as allowed by auditing standards, we cannot guarantee that, if such irregularities, including fraud are present within the company and group's financial system, our audit will detect all of them.

Robust internal controls operated by the group can increase the detection of such irregularities, but this is not always present in small to medium sized companies that are often owner managed.

## **WNF GROUP LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF WNF GROUP LIMITED**

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Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and group and determined that the most significant are those that relate to compliance with the Care Quality Commission, the reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK. We communicated the identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Audit procedures performed by the engagement team to detect irregularities, including fraud from instances of non-compliance with laws and regulations included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations. As two of the four directors are involved in the day-to-day running of the business, they can exert close oversight of the management team and finance department.
- Challenging assumptions and judgements made by management in its significant accounting estimates that involved making assumptions.
- Testing any transactions entered that are outside of the normal course of the company and group's business.
- Reviewing recent correspondence with the group's legal advisors to ensure that it aligns with any conclusions drawn in respect of any outstanding or uncertain legal matters.
- Reading key correspondence from regulatory bodies, including recent inspections carried out by the Care Quality Commission.
- Inspecting a sample of care home and medication audits that have taken place throughout the year.

However, the primary responsibility for the prevention and detection of fraud still rests with both those charged with governance of the entity and the management team.

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 auditor's report.

#### **Use of our report**

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

**Mrs W M Haigh (Senior Statutory Auditor)**  
**For and on behalf of Haigh Accountants Limited**

22 December 2021

**Chartered Certified Accountants**  
**Statutory Auditor**

Grange Cottage  
Fulham Lane  
Womersley  
Doncaster  
DN6 9BW

# WNF GROUP LIMITED

## GROUP STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	10,989,118	10,357,259
Cost of sales		(9,453,433)	(7,868,568)
<b>Gross profit</b>		1,535,685	2,488,691
Administrative expenses		(1,792,957)	(1,603,213)
Other operating income		437,802	192
<b>Operating profit</b>	<b>4</b>	180,530	885,670
Interest receivable and similar income	<b>8</b>	8,000	28,706
Interest payable and similar expenses	<b>9</b>	(1,701)	(166)
Amounts written on/(off) investments	<b>10</b>	55,631	12,710
<b>Profit before taxation</b>		242,460	926,920
Tax on profit	<b>11</b>	(87,395)	(233,158)
<b>Profit for the financial year</b>		155,065	693,762
Retained earnings brought forward		11,908,196	11,479,434
Dividends		(215,000)	(265,000)
Retained earnings carried forward		11,848,261	11,908,196

Profit for the financial year is all attributable to the owners of the parent company.

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

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# WNF GROUP LIMITED

## GROUP BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	16	9,290,823		9,025,051	
Investment properties	17	648,410		452,760	
Investments	18	29,406		33,190	
		<u>9,968,639</u>		<u>9,511,001</u>	
<b>Current assets</b>					
Stocks	20	-		1,430	
Debtors	21	1,155,483		1,514,539	
Cash at bank and in hand		3,499,012		3,200,093	
		<u>4,654,495</u>		<u>4,716,062</u>	
<b>Creditors: amounts falling due within one year</b>	22	<u>(2,127,052)</u>		<u>(1,743,638)</u>	
<b>Net current assets</b>		<u>2,527,443</u>		<u>2,972,424</u>	
<b>Total assets less current liabilities</b>		<u>12,496,082</u>		<u>12,483,425</u>	
<b>Creditors: amounts falling due after more than one year</b>	23	(46,667)		-	
<b>Provisions for liabilities</b>					
Deferred tax liability	25	<u>187,676</u>		<u>161,751</u>	
		<u>(187,676)</u>		<u>(161,751)</u>	
<b>Net assets</b>		<u>12,261,739</u>		<u>12,321,674</u>	
<b>Capital and reserves</b>					
Called up share capital	27	1,400		1,400	
Share premium account		412,078		412,078	
Profit and loss reserves		<u>11,848,261</u>		<u>11,908,196</u>	
<b>Total equity</b>		<u>12,261,739</u>		<u>12,321,674</u>	

The financial statements were approved by the board of directors and authorised for issue on 16 December 2021 and are signed on its behalf by:

Mr S Clough  
Director

# WNF GROUP LIMITED

## COMPANY BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	16	8,928,335		8,639,981	
Investment properties	17	648,410		452,760	
Investments	18	29,606		33,390	
		9,606,351		9,126,131	
<b>Current assets</b>					
Debtors	21	86,643		291,315	
Cash at bank and in hand		1,714,941		1,891,586	
		1,801,584		2,182,901	
<b>Creditors: amounts falling due within one year</b>	22	(541,282)		(458,591)	
<b>Net current assets</b>		1,260,302		1,724,310	
<b>Total assets less current liabilities</b>		10,866,653		10,850,441	
<b>Creditors: amounts falling due after more than one year</b>	23	(46,667)		-	
<b>Provisions for liabilities</b>					
Deferred tax liability	25	140,400		110,709	
			(140,400)		(110,709)
<b>Net assets</b>		10,679,586		10,739,732	
<b>Capital and reserves</b>					
Called up share capital	27	1,400		1,400	
Share premium account		412,078		412,078	
Profit and loss reserves		10,266,108		10,326,254	
<b>Total equity</b>		10,679,586		10,739,732	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £154,855 (2020 - £251,749 profit).

The financial statements were approved by the board of directors and authorised for issue on 16 December 2021 and are signed on its behalf by:

Mr S Clough  
Director

Company Registration No. 03920021

# WNF GROUP LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	35	1,517,568		1,434,229	
Interest paid		(1,701)		(166)	
Income taxes paid		(217,213)		(209,748)	
<b>Net cash inflow from operating activities</b>		<b>1,298,654</b>		<b>1,224,315</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(732,382)		(2,953,641)	
Proceeds on disposal of tangible fixed assets		24,999		17,744	
Purchase of investment property		(140,019)		-	
Receipts arising from loans made		4,667		66,784	
Interest received		8,000		28,981	
<b>Net cash used in investing activities</b>		<b>(834,735)</b>		<b>(2,840,132)</b>	
<b>Financing activities</b>					
Proceeds from borrowings		50,000		-	
Dividends paid to equity shareholders		(215,000)		(265,000)	
<b>Net cash used in financing activities</b>		<b>(165,000)</b>		<b>(265,000)</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>298,919</b>		<b>(1,880,817)</b>	
Cash and cash equivalents at beginning of year		3,200,093		5,080,910	
<b>Cash and cash equivalents at end of year</b>		<b>3,499,012</b>		<b>3,200,093</b>	

# WNF GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **1 Accounting policies**

#### **Company information**

WNF Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Millennium House, Station Lane, Featherstone, Pontefract, West Yorkshire, WF7 5BA.

The group consists of WNF Group Limited and all of 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 and to include investment properties at fair value. The principal accounting policies adopted are set out below.

The 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 for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

#### **1.2 Basis of consolidation**

The consolidated financial statements incorporate those of WNF Group Limited and all of its subsidiaries (ie 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.



# WNF GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies

(Continued)

#### 1.3 Going concern

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 including responding to the impact of the COVID-19 pandemic. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Turnover

Turnover represents amounts receivable for services provided, net of trade discounts. Turnover in respect of service contracts (including property leases) is recognised when the company obtains the right to receive consideration for the services rendered to its customer. When income is invoiced in advance, that part relating to after the balance sheet date, is deferred.

#### 1.5 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of five years.

#### 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.

Tangible fixed assets include investment properties valued by the directors on an existing use open market value basis. Other tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	4% reducing balance
Leasehold improvements	10% straight line
Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Computer equipment	33% reducing balance
Motor vehicles	25% reducing balance
Other assets	10% 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.

Items under £500 are to be expensed unless they are part of a larger, related expenditure of over £500 which will last more than one year. If the item replaces an existing asset that is not separately identifiable on the fixed asset register then unless it is a significant improvement on the item that it has replaced, the cost is expensed.

For properties that are purchased and work is carried out in the first six months of ownership then if an item is replacing an existing asset it should be capitalised and recorded on the fixed asset register as long as its cost is over £500 and will last longer than one year.

#### 1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

# WNF GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent 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.

#### 1.9 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.

#### 1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# WNF GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.11 Cash and cash equivalents

Cash at bank and in hand 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 current account positive balances.

#### 1.12 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 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.

# WNF GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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.

### 1.13 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.

### 1.14 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.

# WNF GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.15 Employee benefits

The costs of short-term 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.

#### 1.16 Retirement benefits

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

#### 1.17 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.

### 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.

#### Leases

Management exercises judgement in determining the classification of leases as finance leases or operating leases at inception of the lease. Where the lease term constitutes substantially all of the economic life of the asset, or where the present value of the minimum lease payments amounts to substantially all of the fair value of the asset, the lease is classified as a finance lease. All other leases are classified as operating leases.

#### Contingent liabilities

Contingent liabilities are possible obligations whose existence will be conferred only on the occurrence or non-occurrence of uncertain future events outside the group's or company's control, or present obligations that are not recognised because it is not probable that a settlement will be required or the value of such payment cannot be reliably estimated. The group and company do not recognise contingent liabilities but, when necessary, discloses them in the notes to the financial statements.

# WNF GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 2 Judgements and key sources of estimation uncertainty

(Continued)

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Impairment of assets

Where there are indications of impairment, management performs an impairment test. For trade debtors this may simply be a review of the age profile of the debtors against the relevant payment terms and consideration of the debtors' payment history. Any other relevant factors, of which management are aware, will also be considered, together with comparison of historical impairment provisions against actual outcomes

#### Tangible fixed assets and depreciation

In order to implement the group's and company's accounting policy in respect of tangible fixed assets, management has to estimate the useful life of each category of such assets, determine which category individual assets belong, estimate the possibility and amount of residual values and allocate the cost of some assets between their major components, when such components have different useful lives. Management relies on industry knowledge, local facts, commonly used accounting practices, prior experience, specialist/professional advice (both current and historic) and any other relevant information which they are aware of, in order to make these estimates.

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Care services	10,814,503	10,233,269
Rental income	162,615	111,990
Management Charges	12,000	12,000
	<u>10,989,118</u>	<u>10,357,259</u>

	2021 £	2020 £
<b>Other significant revenue</b>		
Interest income	8,000	28,706
Grants received	425,527	-
	<u>433,527</u>	<u>28,706</u>

### 4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(425,527)	-
Depreciation of owned tangible fixed assets	437,117	311,107
Impairment of owned tangible fixed assets	-	55,092
Loss/(profit) on disposal of tangible fixed assets	4,495	(6,114)
	<u>1,006,185</u>	<u>360,085</u>

# WNF GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	7,000	7,000
Audit of the financial statements of the company's subsidiaries	7,800	7,800
	<u>14,800</u>	<u>14,800</u>

### 6 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Support	359	323	-	-
Administration	15	15	-	-
Maintenance	4	4	-	-
Total	<u>378</u>	<u>342</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	7,848,124	6,583,422	-	-
Social security costs	626,923	517,169	-	-
Pension costs	165,251	141,878	-	-
	<u>8,640,298</u>	<u>7,242,469</u>	<u>-</u>	<u>-</u>

### 7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	221,226	216,578
Company pension contributions to defined contribution schemes	11,025	10,756
	<u>232,251</u>	<u>227,334</u>

# WNF GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 7 Directors' remuneration

(Continued)

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

	2021 £	2020 £
Remuneration for qualifying services	128,337	125,697
Company pension contributions to defined contribution schemes	6,398	6,242
	<u>134,735</u>	<u>131,939</u>

### 8 Interest receivable and similar income

	2021 £	2020 £
<b>Interest income</b>		
Interest on bank deposits	2,109	21,920
Other interest income	5,891	6,786
	<u>7,999</u>	<u>28,706</u>
Total income	<u>8,000</u>	<u>28,706</u>

### 9 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and loans	604	-
Other interest	1,097	166
	<u>1,701</u>	<u>166</u>
Total finance costs	<u>1,701</u>	<u>166</u>

### 10 Amounts written on/(off) investments

	2021 £	2020 £
Changes in the fair value of investment properties	55,631	12,710
	<u>55,631</u>	<u>12,710</u>

### 11 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	96,985	225,407
Adjustments in respect of prior periods	(35,515)	(2,424)
	<u>61,470</u>	<u>222,983</u>
Total current tax	<u>61,470</u>	<u>222,983</u>



# WNF GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Taxation	(Continued)	
	2021 £	2020 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	(7,807)	10,175
Adjustment in respect of prior periods	33,732	-
Total deferred tax	25,925	10,175
Total tax charge	87,395	233,158

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	242,460	926,920
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	46,067	176,115
Tax effect of expenses that are not deductible in determining taxable profit	(317)	14,376
Tax effect of income not taxable in determining taxable profit	(10,570)	(2,415)
Adjustments in respect of prior years	(1,783)	(2,424)
Effect of change in corporation tax rate	-	17,832
Depreciation on assets not qualifying for tax allowances	53,998	29,674
Taxation charge	87,395	233,158

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2020 (published on 11 March 2020, with royal assent received on 22 July 2020). This included a retraction of the planned reduction to the main rate to keep it at 19% from 1 April 2020. On 3 March 2021, the Government announced that with effect from 1 April 2023 the main rate of UK corporation tax will increase to 25%. This was substantively enacted on the 24th May 2021 when the Finance Bill 2021 had its third reading. As the proposal to increase the UK corporation tax rate had not been substantively enacted at the balance sheet date, its effects have not been reflected in the preparation of these financial statements. An estimate of the immediate financial impact cannot readily be made due to uncertainty over the timing of the reversal of temporary differences; it is however likely that the overall effect of the change will be to increase the company's future tax charge.

# WNF GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 12 Dividends

	2021	2020
	£	£
Recognised as distributions to equity holders:		
Interim paid	215,000	265,000
	<u>          </u>	<u>          </u>

### 13 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2021	2020
		£	£
In respect of:			
Property, plant and equipment	16	-	55,092
		<u>          </u>	<u>          </u>
Recognised in:			
Administrative expenses		-	55,092
		<u>          </u>	<u>          </u>

### 14 Grant income

Other income includes amounts received from the Coronavirus Job Retention Scheme, Business interruption grant payments, ACS infection control grants, Rapid testing fund grants and other local council grants specifically introduced to support care homes during the COVID-19 pandemic.

### 15 Intangible fixed assets

Group	Goodwill
	£
<b>Cost</b>	
At 1 April 2020 and 31 March 2021	42,667
	<u>          </u>
<b>Amortisation and impairment</b>	
At 1 April 2020 and 31 March 2021	42,667
	<u>          </u>
<b>Carrying amount</b>	
At 31 March 2021	-
	<u>          </u>
At 31 March 2020	-
	<u>          </u>

# WNF GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

16 Tangible fixed assets									
Group	Land and buildings Freehold	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Other assets	Total	
<b>Cost</b>									
At 1 April 2020	10,452,371	7,002	560,240	29,494	198,896	246,364	86,102	11,580,469	
Additions	616,790	2,200	47,014	-	44,284	22,094	-	732,382	
Disposals	-	-	(2,940)	-	(18,834)	(133,746)	-	(155,520)	
At 31 March 2021	11,069,161	9,202	604,314	29,494	224,346	134,712	86,102	12,157,331	
<b>Depreciation and impairment</b>									
At 1 April 2020	1,837,873	7,002	365,228	16,017	118,832	182,820	27,645	2,555,417	
Depreciation charged in the year	327,450	95	53,710	2,949	33,028	14,142	5,743	437,117	
Eliminated in respect of disposals	-	-	(2,186)	-	(15,698)	(108,142)	-	(126,026)	
At 31 March 2021	2,165,323	7,097	416,752	18,966	136,162	88,820	33,388	2,866,508	
<b>Carrying amount</b>									
At 31 March 2021	8,903,838	2,105	187,562	10,528	88,184	45,892	52,714	9,290,823	
At 31 March 2020	8,614,498	-	195,012	13,477	80,064	63,543	58,457	9,025,051	

# WNF GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Company	Land and buildings Freehold £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 April 2020	10,452,371	34,192	10,486,563
Additions	616,790	5,400	622,190
At 31 March 2021	11,069,161	39,592	11,108,753
<b>Depreciation and impairment</b>			
At 1 April 2020	1,837,873	8,709	1,846,582
Depreciation charged in the year	327,450	6,386	333,836
At 31 March 2021	2,165,323	15,095	2,180,418
<b>Carrying amount</b>			
At 31 March 2021	8,903,838	24,497	8,928,335
At 31 March 2020	8,614,498	25,483	8,639,981

### 17 Investment property

	Group 2021 £	Company 2021 £
<b>Fair value</b>		
At 1 April 2020	452,760	452,760
Additions through external acquisition	140,019	140,019
Net gains or losses through fair value adjustments	55,631	55,631
At 31 March 2021	648,410	648,410

Investment property comprises several buy-to-let residential properties. The fair value of the investment properties at the year-end date has been estimated by taking their professional valuations at December 2016 and applying a suitable house price index movement. The directors then compared such estimates to their knowledge gained from the local market and property consultants and agents used by the company, to ensure no significant variation.

### 18 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	19	-	-	200	200
Loans		29,406	33,190	29,406	33,190
		29,406	33,190	29,606	33,390

# WNF GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 18 Fixed asset investments (Continued)

#### Movements in fixed asset investments

Group	Loans £
<b>Cost or valuation</b>	
At 1 April 2020	33,190
Disposals	(3,784)
At 31 March 2021	29,406
<b>Carrying amount</b>	
At 31 March 2021	29,406
At 31 March 2020	33,190

#### Movements in fixed asset investments

Company	Shares in subsidiaries £	Loans £	Total £
<b>Cost or valuation</b>			
At 1 April 2020	200	33,190	33,390
Disposals	-	(3,784)	(3,784)
At 31 March 2021	200	29,406	29,606
<b>Carrying amount</b>			
At 31 March 2021	200	29,406	29,606
At 31 March 2020	200	33,190	33,390

### 19 Subsidiaries

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

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
Millennium Care (West Yorkshire) Limited	1	Dormant	Ordinary	100.00 0
Millennium Care Services Limited	1	Care services	Ordinary	100.00 0

#### Registered office addresses (all UK unless otherwise indicated):

1 Millennium House, Station Lane, Featherstone, Pontefract, West Yorkshire, WF7 5BA

# WNF GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 20 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Finished goods and goods for resale	-	1,430	-	-

### 21 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
<b>Amounts falling due within one year:</b>				
Trade debtors	687,207	1,136,348	12,591	18,702
Corporation tax recoverable	27,829	-	-	-
Other debtors	130,761	289,174	74,052	272,613
Prepayments and accrued income	309,686	89,017	-	-
	<u>1,155,483</u>	<u>1,514,539</u>	<u>86,643</u>	<u>291,315</u>

### 22 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Other borrowings	24	3,333	-	3,333	-
Trade creditors		411,376	205,546	13,145	45,299
Amounts owed to group undertakings		-	-	251,416	123,067
Corporation tax payable		23,375	151,289	23,375	36,766
Other taxation and social security		353,692	246,039	-	-
Other creditors		651,740	488,053	17,174	20,000
Accruals and deferred income		683,536	652,711	232,839	233,459
		<u>2,127,052</u>	<u>1,743,638</u>	<u>541,282</u>	<u>458,591</u>

### 23 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Other borrowings	24	46,667	-	46,667	-

# WNF GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 24 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Other loans	50,000	-	50,000	-
Payable within one year	3,333	-	3,333	-
Payable after one year	46,667	-	46,667	-

### 25 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	194,778	168,673
Retirement benefit obligations	(7,102)	(6,922)
	187,676	161,751
Company	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	140,400	110,709
Movements in the year:	Group 2021 £	Company 2021 £
Liability at 1 April 2020	161,751	110,709
Charge to profit or loss	25,925	29,691
Liability at 31 March 2021	187,676	140,400

# WNF GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 26 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	165,251	141,878

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.

Contributions (both employer and employee) totalling £69,803 (2020: £54,506) were payable to the fund at the balance sheet date and are included in creditors.

### 27 Share capital

	2021	2020	2021	2020
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary A shares of £1 each	400	400	400	400
Ordinary B Shares of £1 each	498	498	498	498
Ordinary C shares of £1 each	498	498	498	498
Ordinary D Shares of £1 each	4	4	4	4
	1,400	1,400	1,400	1,400

### 28 Non-distributable profits reserve

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
At the beginning of the year	73,474	60,764	73,474	60,764
Non distributable profits in the year	55,631	12,710	55,631	12,710
At the end of the year	129,105	73,474	129,105	73,474

These non-distributable reserves have arisen from changes in the fair value of the investment property held and are not subject to corporation tax until the investment properties are sold.

### 29 Financial commitments, guarantees and contingent liabilities

The company has a contingent liability in respect of corporation tax for Business Property Renovation Allowance claimed on expenditure in 2015/16 and 2016/17. If the relevant property is sold within five years, then the allowance will be clawed back. The maximum potential liability, in respect thereof, is approximately £200,000.



## WNF GROUP LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

#### 30 Operating lease commitments

At the reporting end 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	-	7,214	-	-
	<u>-</u>	<u>7,214</u>	<u>-</u>	<u>-</u>

#### 31 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Acquisition of tangible fixed assets	224,606	-	224,606	-
	<u>224,606</u>	<u>-</u>	<u>224,606</u>	<u>-</u>

#### 32 Events after the reporting date

Since the year-end date the Company has received dividends of £600,000 (2020: £150,000) and paid out dividends of £71,000 (2020: £195,000)

#### 33 Related party transactions

##### Transactions with related parties

##### Other information

##### Dividends Paid

During the year, the company paid dividends of £80,000 (2020: £125,000) to shareholders who were also directors of the company. During the year, the company paid dividends of £135,000 (2020: £140,000) to Maine Road Properties Limited. Maine Road Properties Limited is owned by several Settlements of Gerald and Margaret Clough and owns the 400 £1 A Ordinary Shares in this company.

##### Debenture and Charges

Mr G Clough and Mrs M Clough each hold a debenture for the value of £92,381, secured against various company assets, dated 28 March 2003 and a legal charge for the value of £48,000, secured against the company's property at 60 Pontefract Road, Featherstone, dated 28 March 2003.

# WNF GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 34 Directors' transactions

Transactions in relation to loans to/(from) directors are as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Mr G Clough - Loan to G & M Clough from parent company	-	19,550	8,276	(30,000)	(2,174)
Mr G Clough - Loan to G&M Clough from trading subsidiary	-	7,678	47,296	(7,678)	47,296
Mr S Clough - Loan to S Clough from trading subsidiary	-	2,636	3,332	(6,443)	(475)
Mr S Clough - Loan to S Clough from Parent Company	-	49,552	1,222	(20,000)	30,774
Mr S M Drewitt - Loan to S Drewitt from trading subsidiary	-	-	1,999	(1,534)	465
		<u>79,416</u>	<u>62,125</u>	<u>(65,655)</u>	<u>75,886</u>

### 35 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	155,065	693,762
<b>Adjustments for:</b>		
Taxation charged	87,395	233,158
Finance costs	1,701	166
Investment income	(8,000)	(28,706)
Loss/(gain) on disposal of tangible fixed assets	4,495	(6,114)
Depreciation and impairment of tangible fixed assets	437,117	366,199
Other gains and losses	(55,631)	(12,710)
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	1,430	(1,429)
Decrease/(increase) in debtors	386,001	(334,478)
Increase in creditors	507,995	524,381
<b>Cash generated from operations</b>	<u>1,517,568</u>	<u>1,434,229</u>

## WNF GROUP LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2021*

**36 Analysis of changes in net funds - group**

	1 April 2020	Cash flows 31 March 2021	
	£	£	£
Cash at bank and in hand	3,200,093	298,919	3,499,012
Borrowings excluding overdrafts	-	(50,000)	(50,000)
	<u>3,200,093</u>	<u>248,919</u>	<u>3,449,012</u>

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