

BERKELEY HOME HEALTH HOLDCO LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

BERKELEY HOME HEALTH HOLDCO LIMITED

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BERKELEY HOME HEALTH HOLDCO LIMITED

COMPANY INFORMATION

Directors	J Cahill S P Clarke N Ward
Registered office	Unit 5 Abbey Business Park Monks Walk Farnham Surrey GU9 8HT
Bankers	HSBC Bank Pl C 2nd Floor 62-76 Park Street London SE1 9DZ
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

BERKELEY HOME HEALTH HOLDCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

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

Fair review of the business

The results for the year, which are set out in the statement of comprehensive income, show an operating profit of £4,240,246 (2020 - £2,662,307). At 31 March 2021, the net assets of the group before long term equity and debt finance was £32,624,117 (2020 - £24,709,630), including intangible and tangible fixed assets of £29,124,083 (2020 - £23,621,513). Net current assets were £3,500,034 (2020 - £1,088,117). The directors consider the result for the year and the financial position of the group and the company to be satisfactory.

Post year end, following a group restructure, four of the trading companies were sold. The results of these companies have been classified as discontinued activities.

As part of the management accounts, the directors use Key Performance Indicators ('KPIs') to assist in the understanding of the development, performance and position of the business of the group. The KPIs used by the group to measure its own performance include divisional revenue, adjusted operating profit, adjusted operating margin, hours of care provided, new care contracts won, Care Quality Commission (CQC) ratings and operating cash flow conversion.

Section 172 statement

The Directors believe that they have effectively implemented their duties under section 172 of the Companies Act 2006. The group has considered the long-term strategy of the business below and consider that this strategy will continue to deliver long term success to the business and its stakeholders.

The group is committed to maintaining an excellent reputation and strives to achieve high standards. We are highly selective about which co-contractors are used to deliver best value while maintaining an awareness of the environmental impact of the work that they do and strive to reduce their carbon footprint.

The Directors recognise the importance of wider stakeholders in delivering their strategy and achieving sustainability within the business. The main stakeholders in the company are considered to be the employees, suppliers and service users.

In ensuring that all our stakeholders are considered as part of every decision process we believe we act fairly between all members of the group.

Future developments

Future prospects remain very strong, underpinned by both the ageing population and ongoing Government policy of promoting care in the community. Whilst the short term environment is expected to remain competitive, the directors remain confident that the group will continue to improve its current level of performance in the future and will continue to trade as a going concern.

The spread of the COVID-19 coronavirus presents a significant risk to the UK economy. Our income line remains resilient to the impact of the virus and the business has coped well with its consequences on both the service users we support and the team members we employ. Financial support has been provided from funders and has helped with the additional PPE and infection control costs. Staff teams in our services have worked diligently to government guidance, supported each other, and have kept Service Users safe and secure. We are confident that our business will remain strong.

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the group are considered to relate to the effects of increasing competition and ongoing compliance with current and future legislation affecting the sector.

Financial instruments

The group is exposed to the usual credit and cash flow risk associated with selling on credit and manages this through credit control procedures. The Board constantly monitors the group's trading results and revises projections as appropriate to ensure that the group can meet its future obligations as they fall due.

The group's bank loans and loan notes are subject to price and cash flow risk as disclosed in note 16 to the financial statements. The group has also limited its exposure to interest rate fluctuations through the purchase of an interest rate cap.

BERKELEY HOME HEALTH HOLDCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Employee involvement

The group encourages the involvement of employees in its management through regular meetings.

Employment of disabled persons

The group's policy is to consider the recruitment of disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

15/12/2021

Approved by the Board on and signed on its behalf by:



.....
S P Clarke
Director

BERKELEY HOME HEALTH HOLDCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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

Principal activity

The principal activity of the company is as a holding company. The principal activity of the group is the provision of domiciliary care services.

Directors of the company

The directors who held office during the year were as follows:

N Ward

I J Bartyzel (resigned 5 August 2020)

C Beck (resigned 16 September 2021)

S M Booty (resigned 16 September 2021)

J M Clinton (resigned 16 September 2021)

K L Cook (resigned 28 October 2020)

S L Hammer (resigned 14 July 2020)

G L Minns (appointed 7 September 2020 and resigned 16 September 2021)

N J Yarrow (appointed 8 June 2020 and resigned 16 September 2021)

The following directors were appointed after the year end:

J Cahill (appointed 21 September 2021)

S P Clarke (appointed 21 September 2021)

BERKELEY HOME HEALTH HOLDCO LIMITED**DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021****Energy and carbon reporting****UK energy use and associated greenhouse gas emissions**

Current UK based annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated GHG emissions are for those assets owned or controlled within the UK only as defined by the financial control approach. This includes company vehicles and personal vehicles used for business mileage ("grey fleet").

Reporting period

The annual reporting period is 1 April to 31 March each year and the energy and carbon emissions are aligned to this period.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2020 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations as these relate to the majority of the reporting period. The report has been reviewed independently by Briar (Briar Consulting Engineers Limited).

Electricity and gas consumption were based on invoice records and benchmark estimations, while mileage was used to calculate energy and emissions from fleet vehicles and grey fleet. Gross calorific values were used except for mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of company activities but occur from sources not owned or controlled by the organisation (scope 3).

Breakdown of energy consumption used to calculate emissions (kWh):	Year ended 31 March 2021	Year ended 31 March 2020
Natural gas	215,426	200,863
Electricity	182,328	190,671
Employee owned vehicles	738,937	1,000,810
Total gross energy consumed	1,136,690	1,392,344
Breakdown of emissions associated with the reported energy use (tCO₂e)	Year ended 31 March 2021	Year ended 31 March 2020
Scope 1		
Natural gas	32	37
Scope 2		
Electricity	43	49
Scope 3		
Employee owned vehicles where company purchases the fuel	131	286
Total gross emissions	206	372

BERKELEY HOME HEALTH HOLDCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

Intensity Ratio

We have chosen to use gross tonnes of carbon dioxide equivalent emissions per employee. This metric is chosen as it is the most readily available and complete data over the period and helps to 'normalise' the data.

	Year ended 31 March 2021	Year ended 31 March 2020
Tonnes of Co2 per employee	0.597	0.625
Intensity Ratio		

The intensity ratio is total gross emissions in metric tonnes CO2e (mandatory emissions) per total number of employees. This metric is chosen as they are the most readily available and complete data over the period and help 'normalise' the data.

Energy efficiency action during current financial year

The management of resources is an important issue for the Group. In the period 1 April 2020 to 31 March 2021, the Group has undertaken the following actions to improve energy efficiency:

- The group continues to reduce emissions through consolidating businesses within the Group to reduce overheads and resources related to our operations (energy and carbon savings for this measure have not been quantified).
- In response to covid -19 the business was unable to make as many home trips as the previous year, thus this directly reduced the annual mileage for this reporting period. We anticipate this to only be a temporary change.
- The group continues to optimise operating procedures related to the provision of home care to reduce the number of journeys undertaken (mileage savings for this measure have not been quantified).

Disclosure of information to the auditor

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

15/12/2021

Approved by the Board on and signed on its behalf by:

Steve Clarke

.....
S P Clarke
Director

BERKELEY HOME HEALTH HOLDCO LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

BERKELEY HOME HEALTH HOLDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERKELEY HOME HEALTH HOLDCO LIMITED

Opinion

We have audited the financial statements of Berkeley Home Health Holdco Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and 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 group 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

BERKELEY HOME HEALTH HOLDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERKELEY HOME HEALTH HOLDCO LIMITED

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

BERKELEY HOME HEALTH HOLDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERKELEY HOME HEALTH HOLDCO LIMITED

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISA's (UK).

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the company's operations. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006 and taxation laws.
- We understood how the company is complying with those legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur.

Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process. Detailed analysis of journals posted through the accounting system during the year to 30 April 2021 has been undertaken;
- Understanding the controls in place to prevent and detect fraud. Reliance was not placed on controls for the entirety of the audit, instead taking a substantive testing approach, however controls were in place to prevent fraud, and they appeared to be working effectively;
- Challenging assumptions and judgements made by management in its significant accounting estimates.

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

Simon Worsley

Simon Worsley (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

15/12/2021
Date:.....

BERKELEY HOME HEALTH HOLDCO LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Note	Continuing operations 2021 £	Discontinued operations 2021 £	Total 2021 £	Continuing operations 2020 £	Discontinued operations 2020 £	Total 2020 £
Turnover	4	22,343,773	11,430,466	33,774,239	22,034,971	10,550,474	32,585,445
Cost of sales		(14,465,549)	(7,701,115)	(22,166,664)	(14,040,257)	(7,420,085)	(21,460,342)
Gross profit		7,878,224	3,729,351	11,607,575	7,994,714	3,130,389	11,125,103
Administrative expenses		(4,364,194)	(1,652,860)	(6,017,054)	(4,705,521)	(1,844,219)	(6,549,740)
Other operating income	5	216,265	101,118	317,383	-	-	-
Operating profit before amortisation		3,730,295	2,177,609	5,907,904	3,289,193	1,286,170	4,575,363
Amortisation		(1,140,728)	(526,930)	(1,667,658)	(1,426,982)	(486,074)	(1,913,056)
Operating profit after amortisation	6	2,589,567	1,650,679	4,240,246	1,862,211	800,096	2,662,307
Other interest receivable and similar income		-	-	-	457	-	457
Interest payable and similar expenses		(3,275,814)	-	(3,275,814)	(2,832,082)	-	(2,832,082)
		(3,275,814)	-	(3,275,814)	(2,831,625)	-	(2,831,625)
(Loss)/profit before tax		(686,247)	1,650,679	964,432	(969,414)	800,096	(169,318)
Tax on profit/(loss)	11	(528,807)	(389,857)	(918,664)	(346,056)	(206,654)	(552,710)
(Loss)/profit for the financial year		(1,215,054)	1,260,822	45,768	(1,315,470)	593,442	(722,028)

The group has no other recognised gains or losses for the year other than the results above.

The notes on pages 17 to 35 form an integral part of these financial statements.

BERKELEY HOME HEALTH HOLDCO LIMITED**(REGISTRATION NUMBER: 08982994)****CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	29,029,246	23,513,779
Tangible assets	13	<u>94,837</u>	<u>107,734</u>
		<u>29,124,083</u>	<u>23,621,513</u>
Current assets			
Stocks	16	18,632	-
Debtors	17	5,226,096	3,893,807
Cash at bank and in hand		<u>3,622,879</u>	<u>3,106,096</u>
		8,867,607	6,999,903
Creditors: Amounts falling due within one year	18	<u>(5,367,573)</u>	<u>(5,911,786)</u>
Net current assets		<u>3,500,034</u>	<u>1,088,117</u>
Total assets less current liabilities		<u>32,624,117</u>	<u>24,709,630</u>
Creditors: Amounts falling due after more than one year	18	35,640,774	27,871,045
Provisions for liabilities	11	91,571	90,141
Capital and reserves			
Called up share capital	21	10,680	10,500
Share premium reserve		1,061,781	964,401
Retained earnings		<u>(4,180,689)</u>	<u>(4,226,457)</u>
Total equity		<u>(3,108,228)</u>	<u>(3,251,556)</u>
Total capital, reserves and long term liabilities		<u>32,624,117</u>	<u>24,709,630</u>

15/12/2021

Approved and authorised by the Board on and signed on its behalf by:

*Steve Clarke*S P Clarke
Director

The notes on pages 17 to 35 form an integral part of these financial statements.

BERKELEY HOME HEALTH HOLDCO LIMITED

(REGISTRATION NUMBER: 08982994)
BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	14	975,000	975,000
Current assets			
Debtors	17	97,560	-
Creditors: Amounts falling due within one year	18	<u>(99)</u>	<u>(99)</u>
Net current assets/(liabilities)		<u>97,461</u>	<u>(99)</u>
Net assets		<u>1,072,461</u>	<u>974,901</u>
Capital and reserves			
Called up share capital	21	10,680	10,500
Share premium reserve		<u>1,061,781</u>	<u>964,401</u>
Total equity		<u>1,072,461</u>	<u>974,901</u>

As permitted by section 480 of the Companies Act 2006, the parent company's statement of comprehensive income has not been included in these financial statements. The group loss for the period includes a profit of £nil dealt with in the profit and loss account of the parent company.

15/12/2021

Approved and authorised by the Board on and signed on its behalf by:

Steve Clarke

 S P Clarke
 Director

The notes on pages 17 to 35 form an integral part of these financial statements.

BERKELEY HOME HEALTH HOLDCO LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY**

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 April 2020	10,500	964,401	(4,226,457)	(3,251,556)
Profit for the year	-	-	45,768	45,768
New share capital subscribed	180	97,380	-	97,560
At 31 March 2021	<u>10,680</u>	<u>1,061,781</u>	<u>(4,180,689)</u>	<u>(3,108,228)</u>

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 April 2019	10,500	964,401	(3,504,429)	(2,529,528)
Loss for the year	-	-	(722,028)	(722,028)
At 31 March 2020	<u>10,500</u>	<u>964,401</u>	<u>(4,226,457)</u>	<u>(3,251,556)</u>

The notes on pages 17 to 35 form an integral part of these financial statements.

BERKELEY HOME HEALTH HOLDCO LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021**

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 April 2020	10,500	964,401	-	974,901
New share capital subscribed	180	97,380	-	97,560
At 31 March 2021	<u>10,680</u>	<u>1,061,781</u>	<u>-</u>	<u>1,072,461</u>

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 April 2019 and at 31 March 2020	<u>10,500</u>	<u>964,401</u>	<u>-</u>	<u>974,901</u>

The notes on pages 17 to 35 form an integral part of these financial statements.

BERKELEY HOME HEALTH HOLDCO LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Profit/(loss) for the year		45,768	(722,028)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	1,747,411	1,993,861
Finance income	7	(101)	(457)
Finance costs	8	3,275,814	2,832,082
Income tax expense	11	918,664	552,710
		<u>5,987,556</u>	<u>4,656,168</u>
<i>Working capital adjustments</i>			
Increase in stocks	16	(18,632)	-
Decrease in trade debtors	17	1,011,987	6,691
(Decrease)/increase in trade creditors	18	(48,096)	216,163
Cash generated from operations		<u>6,932,815</u>	<u>4,879,022</u>
Income taxes paid	11	(433,228)	(605,444)
Net cash flow from operating activities		<u>6,499,587</u>	<u>4,273,578</u>
Cash flows from investing activities			
Interest received		101	457
Acquisitions of tangible assets		(29,981)	(13,328)
Acquisition of intangible assets	12	(8,138)	(11,187)
Acquisition of subsidiary undertakings (net of cash acquired)		(10,700,331)	(2,850)
Net cash flows from investing activities		<u>(10,738,349)</u>	<u>(26,908)</u>
Cash flows from financing activities			
Interest paid		(661,256)	(743,591)
Proceeds from issue of ordinary shares, net of issue costs		180	-
Repayment of bank borrowing		(267,675)	(1,716,750)
Drawdown of bank borrowings		6,000,000	500,000
Debt costs paid		(315,704)	(3,382)
Net cash flows from financing activities		<u>4,755,545</u>	<u>(1,963,723)</u>
Net increase in cash and cash equivalents		516,783	2,282,947
Cash and cash equivalents at 1 April		<u>3,106,096</u>	<u>823,149</u>
Cash and cash equivalents at 31 March		<u>3,622,879</u>	<u>3,106,096</u>

The notes on pages 17 to 35 form an integral part of these financial statements.

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Unit 5
Abbey Business Park
Monks Walk
Farnham
Surrey
GU9 8HT

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2021.

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

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. *Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.*

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for the provision of care services. *When the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes in effect a financing transaction, the fair value of the consideration is measured as the present value of all future receipts determined using an imputed rate of interest, normally the rate that discounts the nominal amount of consideration to the cash sales price.*

The company recognises revenue when the amount of revenue can be measured reliably, when it is probable that future economic benefits will flow to the entity. Where the amount received relates to a period which covers the balance sheet date, it is apportioned over the period to which it relates.

Interest income

Interest income is recognised using the effective interest method.

BERKELEY HOME HEALTH HOLDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****Intangible assets****Client lists**

Client lists recognised at acquisition are measured at the fair value based on the expected average life. Customer list amortisation is charged on a straight line basis so as to write off the cost of the asset over its useful economic life, which is estimated to be 4 years.

Brand value

Brand value recognised at acquisition is measured at the fair value based on the expected average life. Brand value amortisation is charged on a straight line basis so as to write off the cost of the asset over its useful economic life, which is estimated to be 10 years.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the group's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill recognised at acquisition is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis over its useful life, which is estimated to be twenty years. Goodwill amortisation is charged on a straight line basis so as to write off the cost of the asset, less its residual value assumed to be zero, over its useful economic life, which is estimated to be 20 years.

Computer software

Computer software on major projects is carried at cost less accumulated amortisation and accumulated impairment losses. Computer software amortisation is charged on a straight line basis so as to write off the cost of the asset over its useful economic life, which is estimated to be 4 years. Other computer software expenditure is charged in the statement of comprehensive income when it arises.

Tangible assets

Tangible assets are carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation

Depreciation on assets is calculated so as to write off the cost of an asset, less its residual value, over their estimated useful lives as follows:

Asset class	Depreciation method and rate
Equipment, fixtures and fittings	25% straight line
Motor vehicles	25% straight line

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All debtors are repayable within one year and are hence included at the undiscounted amount of the cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Financial instruments

Classification

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Recognition and measurement

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method; Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- i. At fair value with changes recognised in profit or loss if the shares are publicly traded or their fair value can otherwise be measured reliably;
- ii. At cost less impairment for all other investments.

BERKELEY HOME HEALTH HOLDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****Financial instruments (continued)****Impairment**

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

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

At each reporting date non-financial assets not carried at fair value, like goodwill and plant, property and equipment, are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is the higher of value in use and the fair value less cost to sell, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the asset or group of related assets is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset or group of related assets in prior periods. A reversal of an impairment loss is recognised immediately in comprehensive income.

Leases

Leases are classified as finance leases when they transfer substantially all the risks and rewards of ownership of the leased assets to the company. Other leases that do not transfer substantially all the risks and rewards of ownership of the leased assets to the company are classified as operating leases.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the company has a legal or constructive obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle the obligation and the amount of the obligation can be reliably estimated.

Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Tax

Taxation expense represents the aggregate amount of current tax and deferred tax recognised in the reporting period.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years.

A deferred tax asset or liability is recognised for tax recoverable or payable in future periods in respect of transactions and events recognised in the financial statements of current and previous periods.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. *Timing differences result from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.*

Deferred tax is recognised on all timing differences at the reporting date apart from certain exceptions. Unrelieved tax losses and other deferred tax assets are only 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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing differences. Deferred tax relating to land and investment properties that is measured at fair value is measured using the tax rates and allowances that apply to the sale of the asset.

Long term employee benefits

Short-term employee benefits are recognised as an expense in the period in which they are incurred.

Amounts in respect of defined contribution plans are recognised as an expense as they are incurred.

Provisions for termination benefits are recognised only when the group is demonstrably committed to terminate the employment of an employee or of a group of employees before their normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Parent company profit

As permitted by section 408 of the Companies Act 2006, the parent company's statement of comprehensive income has not been included in these financial statements. The group profit for the period includes a profit of £nil dealt with in the profit and loss account of the parent company.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

3 Judgements and key sources of estimation uncertainty

Goodwill is amortised over 20 years, being the finite period over which the directors consider that this asset will enhance the value of the tangible net assets acquired.

The client lists acquired have been valued as at the date of acquisition based on discounted expected future cash flows for the estimated periods after acquisition during which the clients on the list will receive services from the company. Brands acquired have been valued similarly as at the date of acquisition based on the discounted cash flows from the new business the brands are estimated to generate. Client lists are amortised over 4 years and brand values over 10 years or the date when the brand is no longer used, if shorter. The directors consider these estimates reasonable and in line with their industry experience.

No other significant judgements have had to be made by management in preparing these financial statements.

BERKELEY HOME HEALTH HOLDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****4 Revenue**

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

5 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2021	2020
	£	£
Government grants	<u>161,795</u>	<u>-</u>

6 Operating profit

Arrived at after charging

	2021	2020
	£	£
Auditor's remuneration - The audit of the company's annual accounts	20,000	16,000
Auditor's remuneration - other services	39,500	44,485
Depreciation expense	79,753	80,805
Amortisation expense	<u>1,667,658</u>	<u>1,913,056</u>

7 Other interest receivable and similar income

	2021	2020
	£	£
Interest income on bank deposits	<u>101</u>	<u>457</u>

8 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank loans	578,125	653,591
Interest on loan notes	2,311,825	1,996,064
Finance costs	<u>385,864</u>	<u>182,427</u>
	<u>3,275,814</u>	<u>2,832,082</u>

BERKELEY HOME HEALTH HOLDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****9 Staff costs****Group**

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021	2020
	£	£
Wages and salaries	22,768,142	23,730,132
Social security costs	2,133,158	1,863,283
Pension costs, defined contribution scheme	512,918	399,713
	<u>25,414,218</u>	<u>25,993,128</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2021	2020
	No.	No.
Care	805	860
Administration (including directors)	112	100
	<u>917</u>	<u>960</u>

Company

The company incurred no staff costs and had no employees other than the directors.

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021	2020
	£	£
Remuneration	460,205	488,311
Contributions paid to money purchase schemes	11,773	2,741
	<u>471,978</u>	<u>491,052</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021	2020
	No.	No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	2021	2020
	£	£
Remuneration	<u>143,000</u>	<u>150,165</u>

BERKELEY HOME HEALTH HOLDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****11 Taxation**

Tax charged/(credited) in the profit and loss account

	2021 £	2020 £
Current taxation		
UK corporation tax	889,586	691,289
UK corporation tax adjustment to prior periods	<u>28,274</u>	<u>(35,384)</u>
	<u>917,860</u>	<u>655,905</u>
Deferred taxation		
Arising from origination and reversal of timing differences	-	(103,195)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	<u>804</u>	<u>-</u>
Total deferred taxation	<u>804</u>	<u>(103,195)</u>
Tax expense in the income statement	<u><u>918,664</u></u>	<u><u>552,710</u></u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit/(loss) before tax	<u>964,432</u>	<u>(169,318)</u>
Corporation tax at standard rate	183,242	(26,844)
Capital allowances in excess of depreciation	14,706	6,442
Non-deductible expenses (principally goodwill amortisation and loan note interest)	692,442	608,496
Adjustment for prior periods	<u>28,274</u>	<u>(35,384)</u>
Total tax charge	<u><u>918,664</u></u>	<u><u>552,710</u></u>

Deferred tax**Group**

Deferred tax assets and liabilities

	Liability £
2021	
Difference between amortisation charge on intangible fixed assets and capital allowances	<u>91,571</u>
2020	
Difference between amortisation charge on intangible fixed assets and capital allowances	<u>90,141</u>

BERKELEY HOME HEALTH HOLDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****12 Intangible assets**

Group	Goodwill £	Client lists and brands £	Computer software £	Total £
Cost				
At 1 April 2020	27,279,941	4,929,781	62,281	32,272,003
Additions	7,174,987	-	8,138	7,183,125
At 31 March 2021	<u>34,454,928</u>	<u>4,929,781</u>	<u>70,419</u>	<u>39,455,128</u>
Amortisation				
At 1 April 2020	4,291,940	4,415,302	50,982	8,758,224
Amortisation charge	1,377,690	282,252	7,716	1,667,658
At 31 March 2021	<u>5,669,630</u>	<u>4,697,554</u>	<u>58,698</u>	<u>10,425,882</u>
Carrying amount				
At 31 March 2021	<u>28,785,298</u>	<u>232,227</u>	<u>11,721</u>	<u>29,029,246</u>
At 31 March 2020	<u>22,988,001</u>	<u>514,479</u>	<u>11,299</u>	<u>23,513,779</u>

13 Tangible assets

Group	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost			
At 1 April 2020	673,899	6,693	680,592
Additions	29,981	-	29,981
Acquired through business combinations	36,875	-	36,875
Disposals	-	(6,693)	(6,693)
At 31 March 2021	<u>740,755</u>	<u>-</u>	<u>740,755</u>
Depreciation			
At 1 April 2020	566,165	6,693	572,858
Charge for the year	79,753	-	79,753
Eliminated on disposal	-	(6,693)	(6,693)
At 31 March 2021	<u>645,918</u>	<u>-</u>	<u>645,918</u>
Carrying amount			
At 31 March 2021	<u>94,837</u>	<u>-</u>	<u>94,837</u>
At 31 March 2020	<u>107,734</u>	<u>-</u>	<u>107,734</u>

BERKELEY HOME HEALTH HOLDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****14 Investments****Company****Subsidiaries****£****Cost and carrying amount**

At 1 April 2020 and at 31 March 2021

975,000**Details of undertakings**

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Company House number	Principal activity	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Berkeley Home Health Limited	08781493	Care services	100%	100%
Corinium Care Limited*	03573047	Care services	100%	100%
Care Your Way Investments Limited *	02441624	Holding co.	100%	100%
Fitzrovia Personal Homecare Limited*	09595772	Care services	100%	100%
Halo Homecare Limited**	04943245	Care services	100%	100%
Convivium Care Limited **	04705848	Care services	100%	100%
Berkeley Home Health Group Services Limited*	06993562	Dormant	100%	100%
Eve Personal Homecare Limited**	07111249	Dormant	100%	100%
Rainbow Care Limited**	04670617	Dormant	100%	100%
Belgravia Nursing & care Bureau Limited**	03375345	Dormant	100%	100%
Clarkecare Limited*	08676180	Care services	100%	100%
Berkeley Northwood Limited*	04038020	Care services	100%	100%
Transformation Consultancy Limited*	04794287	Dormant	100%	100%
Enviva Care Limited*	07644652	Care services	100%	100%
Enviva Complex Care Limited****	03869350	Care services	100%	100%
Nancando Limited*	05338872	Holding co.	100%	100%
Belgravia Care Limited***	06686170	Care services	100%	100%
Berkeley Winchmore Hill Limited	07690674	Care services	100%	0%
Diversity Care Solutions Limited	07124727	Care Services	100%	0%
Invent Health Limited	SC289550	Care services	100%	0%
BECC: Bespoke Complex Care Support Limited	08257834	Care services	100%	0%

All registered offices are in England and Wales.
All share held are ordinary shares.

* Held indirectly through Berkeley Home Health Limited.

** Held indirectly through Care Your Way Investments Limited.

*** Held indirectly through Nancando Limited.

**** Held indirectly through Enviva Care Limited.

BERKELEY HOME HEALTH HOLDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****15 Business combinations**

On 9 November 2020, Berkeley Home Health Holdco Limited acquired 100% of the issued share capital of Berkeley Winchmore Hill Limited obtaining control.

Berkeley Winchmore Hill Limited contributed £557,535 revenue and £69,667 to the group's profit for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Fair value 2021 £
Assets and liabilities acquired	
Financial assets	393,891
Tangible assets	1,251
Financial liabilities	<u>(406,477)</u>
Total identifiable assets	<u>(11,335)</u>
Goodwill	<u>730,813</u>
Total consideration	<u>719,478</u>
Satisfied by:	
Cash	<u>719,478</u>
Cash flow analysis:	
Cash consideration	719,478
Add: cash and cash equivalent balances acquired	<u>86,887</u>
Net cash outflow arising on acquisition	<u>806,365</u>

The useful life of goodwill is 20 years.

BERKELEY HOME HEALTH HOLDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

On 17 March 2021, Berkeley Home Health Holdco Limited acquired 100% of the issued share capital of Diversity Care Solutions Limited obtaining control.

Diversity Care Solutions Limited contributed £88,746 revenue and £26,834 to the group's profit for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Fair value 2021 £
Assets and liabilities acquired	
Financial assets	1,356,206
Tangible assets	2,918
Financial liabilities	<u>(192,878)</u>
Total identifiable assets	<u>1,166,246</u>
Goodwill	<u>2,775,987</u>
Total consideration	<u><u>3,942,233</u></u>
Satisfied by:	
Cash	3,874,722
Deferred consideration	<u>67,511</u>
Total consideration transferred	<u><u>3,942,233</u></u>
Cash flow analysis:	
Cash consideration	3,874,722
Less: cash and cash equivalent balances acquired	<u>(242,945)</u>
Net cash outflow arising on acquisition	<u><u>3,631,777</u></u>

The useful life of goodwill is 20 years.

BERKELEY HOME HEALTH HOLDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

On 5 February 2021, Berkeley Home Health Holdco Limited acquired 100% of the issued share capital of Invent Heath Limited obtaining control.

Invent Heath Limited contributed £574,502 revenue and £79,210 to the group's profit for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Fair value 2021 £
Assets and liabilities acquired	
Financial assets	1,201,865
Property, plant and equipment	26,284
Financial liabilities	<u>(323,071)</u>
Total identifiable assets	<u>905,078</u>
Goodwill	<u>1,296,582</u>
Total consideration	<u>2,201,660</u>
Satisfied by:	
Cash	2,051,660
Deferred consideration	<u>150,000</u>
Total consideration transferred	<u>2,201,660</u>
Cash flow analysis:	
Cash consideration	2,051,660
Less: cash and cash equivalent balances acquired	<u>(163,447)</u>
Net cash outflow arising on acquisition	<u>1,888,213</u>

The useful life of goodwill is 20 years.

BERKELEY HOME HEALTH HOLDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

On 2 March 2021, Berkeley Home Health Holdco Limited acquired 100% of the issued share capital of Bespoke Complex Care Limited obtaining control.

Bespoke Complex Care Limited contributed £680,545 to revenue and £65,014 to the groups profit for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Fair value 2021 £
Assets and liabilities acquired	
Financial assets	782,393
Property, plant and equipment	4,233
Financial liabilities	<u>(226,950)</u>
Total identifiable assets	<u>559,676</u>
Goodwill	<u>2,365,553</u>
Total consideration	<u><u>2,925,229</u></u>
Satisfied by:	
Cash	2,871,080
Deferred consideration	<u>54,149</u>
Total consideration transferred	<u><u>2,925,229</u></u>
Cash flow analysis:	
Cash consideration	2,871,080
Less: cash and cash equivalent balances acquired	<u>(670,759)</u>
Net cash outflow arising on acquisition	<u><u>2,200,321</u></u>

BERKELEY HOME HEALTH HOLDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****16 Stocks**

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Raw materials and consumables	<u>18,632</u>	<u>-</u>	<u>-</u>	<u>-</u>

17 Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	3,266,598	2,714,374	-	-
Other debtors	655,265	26,615	97,560	-
Prepayments	<u>1,304,233</u>	<u>1,152,818</u>	<u>-</u>	<u>-</u>
	<u>5,226,096</u>	<u>3,893,807</u>	<u>97,560</u>	<u>-</u>

18 Creditors

		Group		Company	
	Note	2021	2020	2021	2020
		£	£	£	£
Due within one year					
Loans and borrowings	19	535,350	273,900	-	-
Trade creditors		154,125	127,616	-	-
Social security and other taxes		650,985	926,324	-	-
Other creditors		1,160,268	2,641,015	99	99
Accrued expenses		1,616,484	1,236,392	-	-
Corporation tax liability	11	1,190,545	706,539	-	-
Deferred income		<u>59,816</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>5,367,573</u>	<u>5,911,786</u>	<u>99</u>	<u>99</u>
Due after one year					
Loans and borrowings	19	<u>35,640,774</u>	<u>27,871,045</u>	<u>-</u>	<u>-</u>

Other creditors include deferred consideration and related professional fees of £561,660 (2020 - £2,463,655).

BERKELEY HOME HEALTH HOLDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****19 Loans and borrowings**

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Current loans and borrowings				
Bank borrowings	<u>535,350</u>	<u>273,900</u>	<u>-</u>	<u>-</u>
Non-current loans and borrowings				
Bank borrowings	18,905,567	13,437,971	-	-
Loan notes	<u>16,735,207</u>	<u>14,433,074</u>	<u>-</u>	<u>-</u>
	<u>35,640,774</u>	<u>27,871,045</u>	<u>-</u>	<u>-</u>

The bank loans are secured by a floating charge over the assets of the company and other group companies. Amounts are repayable by instalments, except for final repayments due on 29 July 2022 of £500,000 and £18,266,250 due on 29 July 2023.

The loan notes are secured and are repayable on 7 May 2024. Interest on the loan notes is charged at a rate of 16% per annum.

The bank loans and other loans are stated after deducting £128,358 of costs associated with the raising of finance. Interest on the bank loans is charged at 3.5% to 4.0% per annum above the London interbank offer rate (LIBOR). The LIBOR rate is capped for approximately 40 per cent of this loan for 3 years at 2 per cent.

Post year end, following the acquisition of the group, all bank loans and loan notes were fully repaid and replaced with inter group borrowings.

20 Pension and other schemes**Defined contribution pension scheme**

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £512,918 (2020 - £399,713).

Contributions totalling £49,350 (2020 - £37,714) were payable to the scheme at the end of the year and are included in creditors.

BERKELEY HOME HEALTH HOLDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****21 Share capital****Allotted, called up and fully paid shares**

	2021		2020	
	No.	£	No.	£
A Ordinary shares of £0.01 each	700,000	7,000	700,000	7,000
B Ordinary shares of £0.01 each	25,000	250	25,000	250
C1 Ordinary shares of £0.01 each	218,000	2,180	200,000	2,000
C2 Ordinary shares of £0.03 each	50,000	1,250	50,000	1,250
	<u>993,000</u>	<u>10,680</u>	<u>975,000</u>	<u>10,500</u>

New shares allotted

During the year, 18,000 C1 Ordinary shares having an aggregate nominal value of £180 were allotted for an aggregate consideration of £97,560. These shares were allotted on 29 October 2020.

Rights, preferences and restrictions

Each class of share ranks *pari passu* in all respects, other than as detailed in the company's articles of association.

22 Obligations under leases and hire purchase contracts**Company****Operating leases**

The total of future minimum lease payments is as follows:

	2020
	£
Not later than one year	180,400
Later than one year and not later than five years	<u>35,000</u>
	<u>215,400</u>

23 Contingent liabilities

Following the year end the group was sold to new owners. As part of the sale process the bank debt and loan notes were fully repaid. The group has now entered into a new cross guarantee of up to £35,586,000, being the bank loan facility advanced to the group headed by PWC Newco Limited.

24 Financial guarantee

Berkeley Home Health Holdco Limited has given a guarantee under section 479A of the Companies Act 2006 to guarantee all outstanding liabilities of the subsidiary companies as at 31 March 2021. The subsidiary companies are therefore exempt from the requirement of the Act relating to the audit of individual accounts. The subsidiary companies that the guarantee applies to are all those non dormant companies listed in note 15.

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

25 Related party transactions

Company

Summary of transactions with key management and directors

Key management personnel are considered to be the directors of the company and key management personnel compensation is disclosed in note 11 to the financial statements.

The total remuneration of directors, who are considered key management for the purposes of disclosure, in the year ended 31 March 2021 (including salaries and other benefits) was £472,568 (2020 - £491,052).

In a prior year, £275,000 of loan notes were issued to Mr S M Booty, a shareholder in the parent company, Berkeley Home Health Holdco Limited. The total loan balance at 31 March 2021 was £678,212 (2020 - £574,191). During the year, interest accruing on the loan totalled £104,021 (2020 - £80,836) and the total accrued interest at 31 March 2021 was £403,212 (2020 - £299,191).

Other related party transactions

During the year, £1,909,912 (2020 - £1,618,336) of loan notes were issued to the company's ultimate controlling party in respect of accrued interest to 31 March 2021 (2020 issue includes £1,618,386 in respect of accrued interest to 31 March 2021). The total loan balance at 31 March 2021 was £13,846,862 (2020 - £11,936,950). During the year, interest accruing on the loan totalled £2,210,184 (2020 - £1,916,164) and the total accrued interest at 31 March 2021 was £2,210,184 (2020 - £1,916,164). There were cumulative issue costs of £96,621 (2020 - £89,164) relating to these loan notes of which £8,097 (2020 - £4,924) was charged as an interest expense during the period.

During the year, the company also paid monitoring fees of £90,000 (2020 - £90,000) to August Equity LLP, a connected party of the ultimate controlling entity.

26 Non adjusting events after the financial period

Following the year end, Berkeley Home Health Limited disposed of the entire issued share capital of Enviva Care Limited and its subsidiaries for an initial consideration of £18.9m. The results of the disposed companies have been included in the discontinued activities in the profit and loss account for the year, on the basis that the sale process was ongoing at the balance sheet date.

The above disposal immediately preceded the sale of the entire issued share capital of Berkeley Home Health Holdco Limited and its remaining subsidiaries to new owners. As part of this process, all of the group's bank and loan note borrowings were repaid and replaced by loans from a new parent company.

27 Parent and ultimate parent undertaking

Up until 21 September 2021, the ultimate controlling party was August Equity Partners III GP Limited, a company registered in Scotland, which is considered to have no single controlling party.

Since that date the ultimate parent is PWC Newco Limited, incorporated in England and Wales. The ultimate controlling party is Limerston Capital LLP.