

Registration number: 12734296

**ENVIVO ROBIN BIDCO LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 10 JULY 2020 TO 31 MARCH 2021**

Hazlewoods LLP  
Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT

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## **ENVIVO ROBIN BIDCO LIMITED**

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## **ENVIVO ROBIN BIDCO LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	T M Davies G N Dufton
<b>Registered office</b>	Windsor House Bayshill Road Cheltenham GL50 3AT
<b>Auditors</b>	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

## **ENVIVO ROBIN BIDCO LIMITED**

### **STRATEGIC REPORT FOR THE PERIOD FROM 10 JULY 2020 TO 31 MARCH 2021**

The directors present their strategic report for the period from 10 July 2020 to 31 March 2021. The company was incorporated on 10 July 2020 and remained dormant until acquiring the Heathcotes Group of companies on 12 November 2020.

#### **Principal activity**

The principal activity of the company is that of a holding company.

The principal activity of the group is the provision of residential care services.

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

The results for the period, which are set out in the profit and loss account, show turnover of £21,274,000 and an operating profit of £344,000. At 31 March 2021, the group had total assets less current liabilities of £18,769,000. The directors consider the performance for the period and the financial position at the period end to be satisfactory.

#### **Key performance indicators**

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

#### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to ongoing compliance with current and future legislation affecting the sector and also government funding for local care services.

#### **Financial instruments**

##### **Objectives and policies**

The board constantly monitors the company's trading results and revise projections as appropriate to ensure that the company can meet its future obligations as they fall due.

##### **Price risk, credit risk, liquidity risk and cash flow risk**

The Group is exposed to a combination of price, credit, interest rate and cash flow risks. The Group uses financial instruments including cash, borrowings and preference shares, the main purpose of which are to raise finance for the Group's activities and to manage interest rate risks. The Group manages cash flow risk through credit control procedures. Credit risk in respect of bank balances is safeguarded by using banks with high credit ratings.

The Group's bank loans, other loans and preference shares are subject to price and liquidity risk as detailed in the note 17 to the financial statements.

23/11/2021

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



.....  
G N Duffon  
Director

## **ENVIVO ROBIN BIDCO LIMITED**

### **DIRECTORS' REPORT FOR THE PERIOD FROM 10 JULY 2020 TO 31 MARCH 2021**

The directors present their report and the consolidated financial statements for the period from 10 July 2020 to 31 March 2021.

#### **Incorporation**

The company was incorporated and commenced trading on 10 July 2020

#### **Directors of the company**

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

G N Dufton (appointed 10 July 2020)

P R Hainsworth (appointed 10 July 2020 and resigned 9 August 2021)

The following director was appointed after the period end:

T M Davies (appointed 17 August 2021)

#### **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.

#### **Employee involvement**

The Group places considerable value on engagement with and involvement of its employees in all aspects of the business and has continued to keep all colleagues informed on matters affecting them and on the performance of the Group. This is achieved through regular formal and informal meetings, frequent senior management visibility in the services, quarterly newsletters and annual events bringing together all colleagues. The Group encourages the involvement of employees in its management through regular departmental meetings. The Group fosters a working environment in which all employees are treated with courtesy and respect and seeks to provide opportunities to develop and reach their full potential.

#### **Future developments**

The external environment is expected to remain competitive going forward.

#### **Going concern**

The group has sufficient resources available and the directors have prepared forecasts for the next 12 months that indicate that this will continue to be the case and that these cash flows will be sufficient for the group to meet its financing commitments as they fall due. The directors therefore have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

#### **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.

#### **Appointment of auditors**

Hazlewoods LLP were appointed as auditors to the company during the period and have expressed their willingness to continue in office.

23/11/2021

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

  
.....  
G N Dufton  
Director

## **ENVIVO ROBIN BIDCO 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.

## **ENVIVO ROBIN BIDCO LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVIVO ROBIN BIDCO LIMITED**

#### **Opinion**

We have audited the financial statements of Envivo Robin Bidco Limited (the 'parent company') and its subsidiaries (the 'group') for the period from 10 July 2020 to 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, 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 loss for the period 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.

## **ENVIVO ROBIN BIDCO LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVIVO ROBIN BIDCO 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 period 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 4, 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.



## ENVIVO ROBIN BIDCO LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVIVO ROBIN BIDCO LIMITED

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:

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 31 March 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](http://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

23/11/2021

Date:.....

**ENVIVO ROBIN BIDCO LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 10 JULY 2020 TO 31 MARCH 2021**

	Note	10 July 2020 to 31 March 2021 £ 000
Turnover	3	21,274
Cost of sales		<u>(14,235)</u>
Gross profit		7,039
Administrative expenses		(6,442)
Exceptional costs	5	<u>(253)</u>
Operating profit	4	344
Interest payable and similar charges	6	<u>(613)</u>
Loss before tax		(269)
Taxation	9	<u>-</u>
Loss for the financial period		<u>(269)</u>
<b>Profit/(loss) attributable to:</b>		
Owners of the company		<u>(269)</u>

The above results were derived from continuing operations.

**ENVIVO ROBIN BIDCO LIMITED****(REGISTRATION NUMBER: 12734296)****CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021**

	<b>Note</b>	<b>31 March 2021 £ 000</b>
<b>Fixed assets</b>		
Intangible assets	10	16,400
Tangible assets	11	<u>4,996</u>
		<u>21,396</u>
<b>Current assets</b>		
Stocks	14	40
Debtors	15	4,741
Cash at bank and in hand		<u>4,513</u>
		9,294
Creditors: Amounts falling due within one year	16	<u>(11,921)</u>
Net current liabilities		<u>(2,627)</u>
Total assets less current liabilities		<u>18,769</u>
Creditors: Amounts falling due after more than one year	16	18,989
Provisions for liabilities	9	<u>30</u>
		<u>19,019</u>
<b>Capital and reserves</b>		
Called up share capital	19	-
Share premium reserve		19
Profit and loss account		<u>(269)</u>
Equity attributable to owners of the company		<u>(250)</u>
Total capital, reserves and long term liabilities		<u>18,769</u>

23/11/2021

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

*Gareth Dufton*.....  
G N Dufton  
Director

**ENVIVO ROBIN BIDCO LIMITED**

**(REGISTRATION NUMBER: 12734296)**  
**BALANCE SHEET AS AT 31 MARCH 2021**

	Note	31 March 2021 £ 000
<b>Fixed assets</b>		
Investments	12	<u>23,164</u>
<b>Current assets</b>		
Debtors	15	1,754
Cash at bank and in hand		<u>201</u>
		1,955
Creditors: Amounts falling due within one year	16	<u>(6,682)</u>
Net current liabilities		<u>(4,727)</u>
Total assets less current liabilities		<u>18,437</u>
Creditors: Amounts falling due after more than one year	16	<u>18,990</u>
<b>Capital and reserves</b>		
Called up share capital	19	-
Share premium reserve		19
Profit and loss account		<u>(572)</u>
Total equity		<u>(553)</u>
Total capital, reserves and long term liabilities		<u>18,437</u>

The company made a loss after tax for the financial period of £571,679.

23/11/2021

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

*Gareth Dufton*

.....  
G N Dufton  
Director

The notes on pages 13 to 26 form an integral part of these financial statements.

**ENVIVO ROBIN BIDCO LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 10 JULY  
2020 TO 31 MARCH 2021  
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY**

	<b>Share capital £ 000</b>	<b>Share premium £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
Loss for the period	-	-	(269)	(269)
New share capital subscribed	-	19	-	19
At 31 March 2021	-	19	(269)	(250)

The notes on pages 13 to 26 form an integral part of these financial statements.

**ENVIVO ROBIN BIDCO LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 10 JULY 2020 TO 31 MARCH 2021**

	<b>Share capital £ 000</b>	<b>Share premium £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
Loss for the period	-	-	(572)	(572)
New share capital subscribed	-	19	-	19
At 31 March 2021	-	19	(572)	(553)

The notes on pages 13 to 26 form an integral part of these financial statements.

## ENVIVO ROBIN BIDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 10 JULY 2020 TO 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:

Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT

#### 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.

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.

##### 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 loss of £571,679 dealt with in the profit and loss account of the parent company.

## **ENVIVO ROBIN BIDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 10 JULY 2020 TO 31 MARCH 2021**

#### **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.

#### **Judgements and estimation uncertainty**

These financial statements do not contain any significant judgements or estimation uncertainty.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company. The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold Land	Nil
Freehold property	Straight line over 50 years
Leasehold improvements	Over the term of the lease
Fixtures, fittings and equipment	Straight line over 5 years
Motor vehicles	25% reducing balance
Computer equipment	Straight line over 3 years

#### **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.



**ENVIVO ROBIN BIDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 10 JULY 2020 TO 31 MARCH 2021****Intangible assets**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

**Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	Straight line over 10 years

**Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

**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.

**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 trade debtors are repayable within one year and hence are included at the undiscounted cost of 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 debtors.

**Inventories**

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.

**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 all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

## **ENVIVO ROBIN BIDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 10 JULY 2020 TO 31 MARCH 2021**

#### **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.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **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.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

## ENVIVO ROBIN BIDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 10 JULY 2020 TO 31 MARCH 2021

#### Financial instruments

##### **Classification**

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

##### **Recognition and measurement**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

##### **Impairment**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

# **ENVIVO ROBIN BIDCO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 10 JULY 2020 TO 31 MARCH 2021**

### **3 Revenue**

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

### **4 Operating profit**

Arrived at after charging

	<b>10 July 2020 to 31 March 2021 £ 000</b>
Depreciation expense	381
Amortisation expense	584
Operating lease expense - property	3,154
Operating lease expense - plant and machinery	159
Operating lease expense - other	<u>92</u>

### **5 Exceptional items**

	<b>10 July 2020 to 31 March 2021 £ 000</b>
Exceptional expenses	<u>240</u>
Exceptional costs consist of exceptional head office recharges and redundancy costs.	

### **6 Interest payable and similar expenses**

	<b>2021 £ 000</b>
Interest on bank overdrafts and borrowings	344
Interest on preference shares	228
Interest expense on other finance liabilities	<u>41</u>
	<u>613</u>

**ENVIVO ROBIN BIDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 10 JULY 2020 TO 31 MARCH 2021****7 Staff costs****Group**

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

	<b>10 July 2020 to 31 March 2021 £ 000</b>
Wages and salaries	13,237
Social security costs	963
Pension costs, defined contribution scheme	299
	<u>14,499</u>

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

	<b>10 July 2020 to 31 March 2021 No.</b>
Care and support	<u>986</u>

**Company**

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

**8 Auditors' remuneration**

	<b>2021 £ 000</b>
Audit of these financial statements	<u>27</u>
<b>Other fees to auditors</b>	
All other non-audit services	<u>19</u>

In addition to the fees above, other non-audit fees charged include financial due diligence work of £175,000 which is included within professional fees within the total consideration in the acquisition cost in note 13.

**ENVIVO ROBIN BIDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 10 JULY 2020 TO 31 MARCH 2021****9 Taxation**

Tax charged in the profit and loss account

**10 July 2020 to  
31 March 2021  
£ 000**

**Current taxation**

UK corporation tax

-  
-  
-

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK of 19%.

The differences are reconciled below:

	<b>2021 £ 000</b>
Loss before tax	<u>(269)</u>
Corporation tax at standard rate	(51)
Effect of expense not deductible in determining taxable profit (tax loss)	154
Effect of tax losses	(130)
Tax increase from effect of capital allowances and depreciation	<u>27</u>
Total tax charge/(credit)	<u>-</u>

**Deferred tax****Group**

Deferred tax assets and liabilities

	<b>Liability £ 000</b>
<b>2021</b>	
Fixed asset timing differences	<u>30</u>

**10 Intangible assets****Group**

**Goodwill  
£ 000**

**Cost**

Additions and at 31 March 2021

16,984

**Amortisation**

Amortisation charge and at 31 March 2021

584

**Carrying amount**

At 31 March 2021

16,400

Details of additions are disclosed in note 13 to the financial statements.

**ENVIVO ROBIN BIDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 10 JULY 2020 TO 31 MARCH 2021****11 Tangible assets****Group**

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Motor vehicles £ 000	Total £ 000
<b>Cost</b>				
Acquired through business combinations	1,353	2,831	420	4,604
Additions	42	704	27	773
At 31 March 2021	1,396	3,535	447	5,377
<b>Depreciation</b>				
Charge for the period and at 31 March 2021	-	333	49	381
<b>Carrying amount</b>				
At 31 March 2021	1,396	3,202	398	4,996

**12 Investments****Company**

	<b>2021 £ 000</b>
Investments in subsidiaries	23,164
<b>Subsidiaries</b>	<b>£ 000</b>
<b>Cost and carrying amount</b>	
Additions and at 31 March 2021	23,164

**Details of undertakings**

Details of the investments (including principal place of business of unincorporated entities) in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held 2021
<b>Subsidiary undertakings</b>			
Heathcotes Care Limited	England and Wales	Ordinary	100%
Heathcotes Limited	England and Wales	Ordinary	100%
Phoenix Cottages Limited*	England and Wales	Ordinary	100%
Heathcotes Head Office Limited*	England and Wales	Ordinary	100%
Heathcotes Southern Limited	England and Wales	Ordinary	100%
Coates Care Limited	England and Wales	Ordinary	100%
Heathcotes M Limited	England and Wales	Ordinary	100%
Heathcotes PD Limited	England and Wales	Ordinary	100%
Heathcotes CS Limited	England and Wales	Ordinary	100%

\* Investments held Via Heathcotes Limited.

The principal activity of Heathcotes Head Office Limited is a property company. The principal activity of all other companies is the provision of specialist care services.

**ENVIVO ROBIN BIDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 10 JULY 2020 TO 31 MARCH 2021****13 Business combinations**

On 12 November 2020, Envivo Robin Bidco Limited acquired 100% of the issued share capital of Heathcotes Care Limited and related entities (see note 12), obtaining control.

Heathcotes Care Limited and related entities (see note 12) contributed the entire revenue and operating profit for the group, 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:

	<b>Fair value 2021 £ 000</b>
<b>Assets and liabilities acquired</b>	
Financial assets	9,214
Stocks	40
Tangible assets	4,604
Financial liabilities	<u>(7,678)</u>
Total identifiable assets	<u>6,180</u>
Goodwill	<u>16,984</u>
Total consideration	<u><u>23,164</u></u>
<b>Satisfied by:</b>	
Cash	<u><u>23,164</u></u>
<b>Cash flow analysis:</b>	
Cash consideration	23,164
Less: cash and cash equivalent balances acquired	<u>(6,518)</u>
Net cash outflow arising on acquisition	<u><u>16,646</u></u>

The useful life of goodwill is 10 years.

**14 Stocks**

	<b>Group 31 March 2021 £ 000</b>	<b>Company 31 March 2021 £ 000</b>
Finished goods	<u><u>40</u></u>	<u><u>-</u></u>



**ENVIVO ROBIN BIDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 10 JULY 2020 TO 31 MARCH 2021****15 Debtors**

	<b>Group</b> <b>31 March 2021</b> <b>£ 000</b>	<b>Company</b> <b>31 March 2021</b> <b>£ 000</b>
Trade debtors	2,930	-
Other debtors	1,810	1,754
	<u>4,741</u>	<u>1,754</u>

**16 Creditors**

	<b>Note</b>	<b>Group</b> <b>31 March 2021</b> <b>£ 000</b>	<b>Company</b> <b>31 March 2021</b> <b>£ 000</b>
<b>Due within one year</b>			
Loans and borrowings	17	733	694
Trade creditors		1,663	219
Amounts due to group undertakings	22	1,008	5,328
Social security and other taxes		580	6
Outstanding defined contribution pension costs		105	-
Other creditors		678	-
Accrued expenses		6,985	435
Corporation tax liability	9	168	-
		<u>11,921</u>	<u>6,682</u>
<b>Due after one year</b>			
Loans and borrowings	17	<u>18,990</u>	<u>18,990</u>

**ENVIVO ROBIN BIDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 10 JULY 2020 TO 31 MARCH 2021****17 Loans and borrowings**

	<b>Group</b> <b>31 March 2021</b> <b>£ 000</b>	<b>Company</b> <b>31 March 2021</b> <b>£ 000</b>
<b>Current loans and borrowings</b>		
Bank borrowings	694	694
Finance lease liabilities	39	-
	<u>733</u>	<u>694</u>
	<b>Group</b> <b>31 March 2021</b> <b>£ 000</b>	<b>Company</b> <b>31 March 2021</b> <b>£ 000</b>
<b>Non-current loans and borrowings</b>		
Bank borrowings	14,762	14,762
Redeemable preference shares	4,228	4,228
	<u>18,990</u>	<u>18,990</u>

The bank loan is repayable in quarterly instalment payments, with the final payment due in November 2023. Interest is chargeable based on the LIBOR rate plus 5.25%.

The bank loans outstanding of £15,455,682 are stated after deducting £277,650 of costs associated with the raising of this finance which are being released to the profit and loss accounts over the term of the debt in accordance with FRS102. Total bank loans gross of debt costs are £15,733,332 as at 31 March 2021.

Preference shares include accrued interest of £228,493. The preference shares right of return and redemption are as detailed in the Company's Articles of association.

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

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £298,521.

Contributions totalling £104,926 were payable to the scheme at the end of the period and are included in creditors.

**ENVIVO ROBIN BIDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 10 JULY 2020 TO 31 MARCH 2021****19 Share capital****Allotted, called up and fully paid shares**

	<b>2021</b>	
	<b>No.</b>	<b>£</b>
A Ordinary shares of £1 each	30	30
B Ordinary shares of £1 each	70	70
C Ordinary shares of £0.01 each	9,350	93.50
	<u>9,450</u>	<u>193.50</u>

**New shares allotted**

During the period, 100 ordinary shares having an aggregate nominal value of £100 were allotted for an aggregate consideration of £100. These shares were allotted upon incorporation.

During the period, 9,350 C ordinary shares having an aggregate nominal value of £94 were allotted for an aggregate consideration of £18,700. These shares were allotted on 30 March 2021.

On 12 November 2020, 100 ordinary shares of £1 which were allotted upon incorporation were redesignated into 70 A ordinary shares of £1 and 30 B ordinary shares of £1.

**Rights, preferences and restrictions**

The different classes of share referred to above carry separate rights to dividends but, in all other significant respects, rank pari passu.

**20 Obligations under leases and hire purchase contracts****Group****Operating leases**

The total of future minimum lease payments is as follows:

	<b>2021</b>
	<b>£ 000</b>
Not later than one year	8,081
Later than one year and not later than five years	32,324
Later than five years	14,142
	<u>54,547</u>

**21 Financial guarantee****Company**

Envivo Robin Bidco 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 companies listed in note 12.

**ENVIVO ROBIN BIDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 10 JULY 2020 TO 31 MARCH 2021**

**22 Related party transactions**

**Company**

**Summary of transactions with all subsidiaries**

The company has taken the exemption not to disclose related party transactions with wholly owned related group companies.

At 31 March 2021 the company owes TLC Care Holdings Limited, an intermediate parent, £2,459,462.

At 31 March 2021 the group owes TLC Care Holdings Limited, an intermediate parent, £1,008,132.

These loans do not incur interest and have no fixed repayment date.

**23 Parent and ultimate parent undertaking**

The company's immediate parent is TLC Care Holdings Limited, incorporated in England and Wales.

The ultimate parent company is Specialist Healthcare Operations Limited, incorporated in the Isle of Man.

There is considered to be no single ultimate controlling party.