

Registration number: 12734296

ENVIVO ROBIN BIDCO LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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

Directors	T M Davies N D Robinson
Registered office	Royal Court Basil Close Chesterfield S41 7SL
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

ENVIVO ROBIN BIDCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their strategic report for the year ended 31 March 2023.

Principal activity

The principal activity of the group 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 £59,612,000 (2022 - £59,415,000) and an operating profit of £1,174,000 (2022 - £3,099,000). At 31 March 2023, the group had total assets less current liabilities of £6,380,000 (2022 - £20,479,000). 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 and preference shares are subject to price and liquidity risk as detailed in note 16 to the financial statements.

9/11/2023

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


.....
N D Robinson
Director

ENVIVO ROBIN BIDCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the consolidated financial statements for the year ended 31 March 2023.

Directors of the company

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

T M Davies

T P Dawkins (appointed 27 May 2022 and resigned 15 May 2023)

G N Dufton (resigned 27 May 2022)

The following director was appointed after the year end:

N D Robinson (appointed 15 May 2023)

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.

Reappointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

9/11/2023

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

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N D Robinson
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 group and company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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 year ended 31 March 2023, 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 2023 and of the group's loss 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 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's 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.

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 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.

ENVIVO ROBIN BIDCO LIMITED

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

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including the UK Companies Act and tax legislation, and, those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgments made in accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

ENVIVO ROBIN BIDCO LIMITED

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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

9/11/2023

Date:.....

ENVIVO ROBIN BIDCO LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £ 000	2022 £ 000
Turnover	3	59,612	59,415
Cost of sales		<u>(38,899)</u>	<u>(36,817)</u>
Gross profit		20,713	22,598
Administrative expenses		(19,795)	(19,108)
Exceptional items	5	<u>256</u>	<u>(391)</u>
Operating profit	4	1,174	3,099
Interest payable and similar charges	6	<u>(1,980)</u>	<u>(1,518)</u>
(Loss)/profit before tax		(806)	1,581
Taxation	10	<u>-</u>	<u>90</u>
(Loss)/profit for the financial year		<u><u>(806)</u></u>	<u><u>1,671</u></u>

The above results were derived from continuing operations.

The group has no other comprehensive income for the year.

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

ENVIVO ROBIN BIDCO LIMITED**(REGISTRATION NUMBER: 12734296)****CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023**

	Note	2023 £ 000	2022 £ 000
Fixed assets			
Intangible assets	11	12,778	14,452
Tangible assets	12	<u>9,457</u>	<u>7,113</u>
		<u>22,235</u>	<u>21,564</u>
Current assets			
Stocks	14	-	40
Debtors	15	10,136	4,208
Cash at bank and in hand		<u>3,233</u>	<u>6,363</u>
		13,369	10,611
Creditors: Amounts falling due within one year	16	<u>(29,224)</u>	<u>(11,697)</u>
Net current liabilities		<u>(15,856)</u>	<u>(1,086)</u>
Total assets less current liabilities		<u>6,380</u>	<u>20,479</u>
Creditors: Amounts falling due after more than one year	16	5,735	19,028
Provisions for liabilities	10	<u>30</u>	<u>30</u>
		<u>5,765</u>	<u>19,058</u>
Capital and reserves			
Called up share capital	19	-	-
Share premium reserve		19	19
Profit and loss account		<u>596</u>	<u>1,402</u>
Equity attributable to owners of the company		<u>615</u>	<u>1,421</u>
Total capital, reserves and long term liabilities		<u>6,380</u>	<u>20,479</u>

9/11/2023

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



N D Robinson
Director

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

ENVIVO ROBIN BIDCO LIMITED**(REGISTRATION NUMBER: 12734296)
BALANCE SHEET AS AT 31 MARCH 2023**

	Note	2023 £ 000	2022 £ 000
Fixed assets			
Investments	13	<u>23,164</u>	<u>23,164</u>
Current assets			
Debtors	15	1,612	1,547
Cash at bank and in hand		<u>195</u>	<u>26</u>
		1,807	1,573
Creditors: Amounts falling due within one year	16	<u>(20,306)</u>	<u>(5,273)</u>
Net current liabilities		<u>(18,499)</u>	<u>(3,700)</u>
Total assets less current liabilities		<u>4,665</u>	<u>19,464</u>
Creditors: Amounts falling due after more than one year	16	<u>5,618</u>	<u>18,896</u>
Capital and reserves			
Called up share capital	19	-	-
Share premium reserve		19	19
Profit and loss account		<u>(972)</u>	<u>549</u>
Total equity		<u>(953)</u>	<u>568</u>
Total capital, reserves and long term liabilities		<u>4,665</u>	<u>19,464</u>

The company made a loss after tax for the financial year of £1,521,000 (2022 - profit of £1,121,000).

9/11/2023

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

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N D Robinson
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 YEAR ENDED 31 MARCH
2023
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY**

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2022	-	19	1,402	1,421
Loss for the year	-	-	(806)	(806)
At 31 March 2023	-	19	596	615

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2021	-	19	(269)	(250)
Profit for the year	-	-	1,671	1,671
At 31 March 2022	-	19	1,402	1,421

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 YEAR ENDED 31 MARCH 2023

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2022	-	19	549	568
Loss for the year	-	-	(1,521)	(1,521)
At 31 March 2023	-	19	(972)	(953)

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2021	-	19	(572)	(553)
Profit for the year	-	-	1,121	1,121
At 31 March 2022	-	19	549	568

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 YEAR ENDED 31 MARCH 2023

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:

Royal Court
Basil Close
Chesterfield
S41 7SL
England

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 United Kingdom and Republic of Ireland and the Companies Act 2006'.

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 2023.

No Profit and Loss Account is presented for the company as permitted by section 408 of the Companies Act 2006. The company made a loss after tax for the financial year of £1,521,000 (2022 - profit of £1,121,000).

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.

ENVIVO ROBIN BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 statement of financial position 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:

Asset class	Depreciation method and rate
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 YEAR ENDED 31 MARCH 2023

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:

Asset class	Amortisation method and rate
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.

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 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.

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.

Trade 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 YEAR ENDED 31 MARCH 2023

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 group'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 YEAR ENDED 31 MARCH 2023

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 YEAR ENDED 31 MARCH 2023****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

	2023	2022
	£ 000	£ 000
Depreciation expense	1,980	1,321
Amortisation expense	1,673	1,698
Research and development cost	1	-
Operating lease expense - property	8,214	8,084
Operating lease expense - plant and machinery	152	155
Operating lease expense - other	<u>77</u>	<u>51</u>

5 Exceptional items

	2023	2022
	£ 000	£ 000
Exceptional expenses	<u>(256)</u>	<u>391</u>

Exceptional costs in the current year consist of staff redundancy, settlement costs and refunds from the former owners of the group.

Exceptional costs in the prior year consist of staff redundancy and settlement costs.

6 Interest payable and similar expenses

	2023	2022
	£ 000	£ 000
Interest on bank overdrafts and borrowings	1,084	812
Interest on preference shares	790	600
Interest expense on other finance liabilities	<u>106</u>	<u>106</u>
	<u>1,980</u>	<u>1,518</u>

ENVIVO ROBIN BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****7 Staff costs****Group**

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

	2023	2022
	£ 000	£ 000
Wages and salaries	35,018	34,320
Social security costs	2,853	2,699
Pension costs, defined contribution scheme	597	585
	<u>38,468</u>	<u>37,604</u>

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

	2023	2022
	No.	No.
Care and support	<u>1,686</u>	<u>1,761</u>

Company

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

8 Directors' remuneration

Directors' remuneration is paid by other group companies.

9 Auditors' remuneration

	Year ended 31	10 July 2020 to
	March 2022	31 March 2021
	£ 000	£ 000
Audit of these financial statements	<u>26</u>	<u>27</u>
Other fees to auditors		
All other non-audit services	<u>17</u>	<u>16</u>

ENVIVO ROBIN BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****10 Taxation**

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

	2023 £ 000	2022 £ 000
Current taxation		
UK corporation tax	-	-
UK corporation tax adjustment to prior periods	-	(90)
	<u>-</u>	<u>(90)</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2022 - lower than the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

The differences are reconciled below:

	2023 £ 000	2022 £ 000
(Loss)/profit before tax	<u>(806)</u>	<u>1,581</u>
Corporation tax at standard rate	(153)	300
Effect of expense not deductible in determining taxable profit (tax loss)	430	424
Effect of tax losses	(300)	(557)
Decrease in UK and foreign current tax from unrecognised temporary difference from a prior period	-	(90)
Tax increase/(decrease) from effect of capital allowances and depreciation	<u>23</u>	<u>(167)</u>
Total tax credit	<u>-</u>	<u>(90)</u>

Deferred tax**Group**

Deferred tax assets and liabilities

2023	Liability £ 000
Fixed asset timing differences	<u>30</u>
	<u>30</u>
2022	Liability £ 000
Fixed asset timing differences	<u>30</u>
	<u>30</u>

ENVIVO ROBIN BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****11 Intangible assets****Group**

	Goodwill £ 000
Cost	
At 1 April 2022 and at 31 March 2023	16,734
Amortisation	
At 1 April 2022	2,282
Amortisation charge	<u>1,673</u>
At 31 March 2023	<u>3,956</u>
Carrying amount	
At 31 March 2023	<u>12,778</u>
At 31 March 2022	<u>14,452</u>

12 Tangible assets**Group**

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Motor vehicles £ 000	Total £ 000
Cost				
At 1 April 2022	2,751	5,502	481	8,734
Additions	2,375	1,951	56	4,382
Disposals	<u>(33)</u>	<u>-</u>	<u>(118)</u>	<u>(152)</u>
At 31 March 2023	<u>5,094</u>	<u>7,452</u>	<u>419</u>	<u>12,965</u>
Depreciation				
At 1 April 2022	143	1,383	96	1,621
Charge for the year	743	1,139	98	1,980
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(93)</u>	<u>(93)</u>
At 31 March 2023	<u>886</u>	<u>2,521</u>	<u>100</u>	<u>3,508</u>
Carrying amount				
At 31 March 2023	<u>4,208</u>	<u>4,931</u>	<u>318</u>	<u>9,457</u>
At 31 March 2022	<u>2,609</u>	<u>4,119</u>	<u>385</u>	<u>7,113</u>

ENVIVO ROBIN BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****13 Investments****Company**

	2023	2022
	£ 000	£ 000
Investments in subsidiaries	<u>23,164</u>	<u>23,164</u>

Subsidiaries**£ 000****Cost and carrying amount**

At 1 April 2022 and at 31 March 2023

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	
			2023	2022
Subsidiary undertakings				
Heathcotes Care Limited	England and Wales	Ordinary	100%	100%
Heathcotes Limited	England and Wales	Ordinary	100%	100%
Phoenix Cottages Limited*	England and Wales	Ordinary	100%	100%
Heathcotes Head Office Limited*	England and Wales	Ordinary	100%	100%
Heathcotes Southern Limited	England and Wales	Ordinary	100%	100%
Coates Care Limited	England and Wales	Ordinary	100%	100%
Heathcotes M Limited	England and Wales	Ordinary	100%	100%
Heathcotes PD Limited	England and Wales	Ordinary	100%	100%
Heathcotes CS Limited	England and Wales	Ordinary	100%	100%
Ivolve 1 Head Office Limited	England and Wales	Ordinary	100%	100%
Heathcotes Care (Head Office) Limited	England and Wales	Ordinary	100%	0%

* 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.

All group subsidiaries hold the same registered address to that of Envivo Robin Bidco Limited.

14 Stocks

	Group		Company	
	2023	2022	2023	2022
	£ 000	£ 000	£ 000	£ 000
Finished goods	<u>-</u>	<u>40</u>	<u>-</u>	<u>-</u>

ENVIVO ROBIN BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****15 Debtors**

		Group		Company	
		2022	2021	2022	2021
	Note	£ 000	£ 000	£ 000	£ 000
Trade debtors		3,199	3,498	-	-
Amounts owed by group undertakings	22	6,798	576	1,528	1,528
Other debtors		40	66	19	19
Prepayments		98	67	65	-
		<u>10,136</u>	<u>4,208</u>	<u>1,612</u>	<u>1,547</u>

16 Creditors

		Group		Company	
		2022	2021	2022	2021
	Note	£ 000	£ 000	£ 000	£ 000
Due within one year					
Loans and borrowings	17	14,166	733	14,133	694
Trade creditors		3,605	1,520	-	-
Amounts due to group undertakings	22	5,046		6,012	4,361
Social security and other taxes		536	806	-	2
Outstanding defined contribution pension costs		125	124	-	-
Other creditors		797	2,597	125	167
Accruals and deferred income		4,949	5,916	37	50
Corporation tax liability	10	1		-	-
		<u>29,224</u>	<u>11,697</u>	<u>20,306</u>	<u>5,273</u>
Due after one year					
Loans and borrowings	17	<u>5,735</u>	<u>19,028</u>	<u>5,618</u>	<u>18,896</u>

ENVIVO ROBIN BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****17 Loans and borrowings**

	Group		Company	
	2023	2022	2023	2022
	£ 000	£ 000	£ 000	£ 000
Current loans and borrowings				
Bank borrowings	14,133	694	14,133	694
Finance lease liabilities	33	39	-	-
	<u>14,166</u>	<u>733</u>	<u>14,133</u>	<u>694</u>

	Group		Company	
	2023	2022	2023	2022
	£ 000	£ 000	£ 000	£ 000
Non-current loans and borrowings				
Bank borrowings	-	14,068	-	14,068
Hire purchase contracts	117	132	-	-
Redeemable preference shares	<u>5,618</u>	<u>4,829</u>	<u>5,618</u>	<u>4,829</u>
	<u>5,735</u>	<u>19,029</u>	<u>5,618</u>	<u>18,897</u>

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

The bank loans outstanding of £14,068,000 (2022 - £14,762,000) are stated after deducting £65,000 (2022 - £172,000) 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 £14,133,000 (2022 - £14,934,000) as at 31 March 2023.

Preference shares include accrued interest of £1,618,000 (2022 - £828,000). 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 year represents contributions payable by the group to the scheme and amounted to £597,000 (2022 - £585,000).

Contributions totalling £125,000 (2022 - £124,000) were payable to the scheme at the end of the year and are included in creditors.

ENVIVO ROBIN BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****19 Share capital****Allotted, called up and fully paid shares**

	No.	2023 £	No.	2022 £
A Ordinary shares of £1 each	30	30	30	30
B Ordinary shares of £1 each	70	70	70	70
C Ordinary shares of £0.01 each	9,350	93.50	9,350	93.50
	<u>9,450</u>	<u>193.50</u>	<u>9,450</u>	<u>193.50</u>

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:

	2023 £ 000	2022 £ 000
Not later than one year	8,687	8,180
Later than one year and not later than five years	23,372	32,790
Later than five years	803	5,087
	<u>32,862</u>	<u>46,057</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 2022. 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 13.

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 2023, the company owes Involve Care Holdings Limited, an intermediate parent, £1,922,000 (2022 - £1,951,000).

At 31 March 2023, Involve Care Holdings Limited, an intermediate parent, owes the group £494,000 (2022 - group owed £402,000).

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

ENVIVO ROBIN BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

23 Parent and ultimate parent undertaking

The company's immediate parent is Ivolve 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.