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Registration number. 08982994

BERKELEY HOME HEALTH HOLDCO LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

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BERKELEY HOME HEALTH HOLDCO LIMITED

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BERKELEY HOME HEALTH HOLDCO LIMITED

COMPANY INFORMATION

Directors	I J Bartyzel
	C Beck
	S M Booty
	J M Clinton
	K L Cook
	S L Hammer
	N Ward
Registered office	Unit 5 Abbey Business Park Monks Walk Farnham Surrey GU9 8HT
Bankers	HSBC Bank PLC 2nd Floor 62-76 Park Street London SE1 9DZ
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

BERKELEY HOME HEALTH HOLDCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their strategic report for the year ended 31 March 2019.

Fair review of the business

The results for the year, which are set out in the statement of comprehensive income, show an operating profit of £2,633,568 (2018 - £1,649,590). At 31 March 2019, the net assets of the group before long term equity and debt finance was £23,698,565 (2018 - £17,865,852), including intangible and tangible fixed assets of £24,796,400 (2018 - £13,949,048). Net current liabilities were £1,097,835 (2018 - assets of £3,916,804). The directors consider the result for the year and the financial position of the group and the company to be satisfactory

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

Future developments

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

Principal risks and uncertainties

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

Financial Instruments

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

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

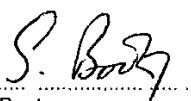
Employee involvement

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

Employment of disabled persons

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

Approved by the Board on 30/7/19 and signed on its behalf by:


S M Booty
Director

BERKELEY HOME HEALTH HOLDCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the for the year ended 31 March 2019

Principal activity

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

Directors of the company

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

I J Bartyzel (appointed 1 March 2019)

C Beck

S M Booty

J M Clinton

K L Cook

S L Hammer (appointed 1 October 2018)

N Ward

A W Ewers (resigned 1 August 2018)

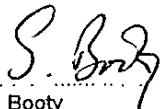
Disclosure of information to the auditor

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.

Approved by the Board on 30/7/19 and signed on its behalf by



S M Booty
Director

BERKELEY HOME HEALTH HOLDCO LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and apply them consistently;
- *make judgements and accounting estimates that are reasonable and prudent;*
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

BERKELEY HOME HEALTH HOLDCO LIMITED

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

Opinion

We have audited the financial statements of Berkeley Home Health Holdco Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2019 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'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue

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

BERKELEY HOME HEALTH HOLDCO LIMITED

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

- 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.

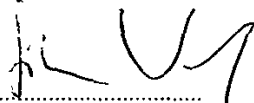
Auditor's responsibilities for the audit of the financial statements

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.

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

Use of our report

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



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

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date: 21/11/19

BERKELEY HOME HEALTH HOLDCO LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Turnover	4	30,879,361	22,234,197
Cost of sales		<u>(20,447,995)</u>	<u>(14,926,078)</u>
Gross profit		10,431,366	7,308,119
Administrative expenses		<u>(6,028,322)</u>	<u>(3,854,369)</u>
Operating profit before amortisation		4,403,044	3,453,750
Amortisation of intangible assets		<u>(1,900,647)</u>	<u>(1,804,160)</u>
Operating profit	5	2,502,397	1,649,590
Other interest receivable and similar income		1,544	4,282
Interest payable and similar charges	6	<u>(2,593,073)</u>	<u>(1,944,660)</u>
Loss before tax		(89,132)	(290,788)
Taxation	9	<u>(451,691)</u>	<u>(144,266)</u>
Loss for the financial year		<u><u>(540,823)</u></u>	<u><u>(435,054)</u></u>

The above results were derived from continuing operations

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

The table below illustrates the group EBITDA:

	2019 £	2018 £
Loss on ordinary activities before taxation	(89,132)	(290,788)
Interest payable (net of interest received)	2,591,529	1,940,378
Amortisation of intangible fixed assets	1,900,647	1,804,160
Depreciation of tangible fixed assets and profit on sale of fixed assets	56,959	31,341
Non-recurring items	<u>72,061</u>	<u>223,233</u>
Earnings before interest, tax, depreciation, amortisation and exceptional items	<u><u>4,532,064</u></u>	<u><u>3,708,324</u></u>

The notes on pages 13 to 31 form an integral part of these financial statements.

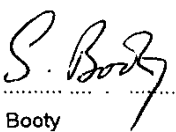
BERKELEY HOME HEALTH HOLDCO LIMITED

(REGISTRATION NUMBER: 08982994)

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	10	24,621,189	13,861,268
Tangible assets	11	<u>175,211</u>	<u>87,780</u>
		<u>24,796,400</u>	<u>13,949,048</u>
Current assets			
Debtors	14	3,881,250	1,307,699
Cash at bank and in hand		<u>989,691</u>	<u>4,548,524</u>
		4,870,941	5,856,223
Creditors: Amounts falling due within one year	15	<u>(6,099,947)</u>	<u>(1,939,419)</u>
Net current (liabilities)/assets		<u>(1,229,006)</u>	<u>3,916,804</u>
Total assets less current liabilities		<u>23,567,394</u>	<u>17,865,852</u>
Creditors: Amounts falling due after more than one year	15	25,903,586	19,529,694
Provisions for liabilities	9	193,336	324,863
Capital and reserves			
Called up share capital	18	10,500	10,500
Share premium reserve		964,401	964,401
Retained earnings		<u>(3,504,429)</u>	<u>(2,963,606)</u>
Total equity		<u>(2,529,528)</u>	<u>(1,988,705)</u>
Total capital, reserves and long term liabilities		<u>23,567,394</u>	<u>17,865,852</u>

Approved and authorised by the Board on 30/7/19 and signed on its behalf by:


 S M Booty
 Director

The notes on pages 13 to 31 form an integral part of these financial statements.

BERKELEY HOME HEALTH HOLDCO LIMITED

(REGISTRATION NUMBER: 08982994)
BALANCE SHEET AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	12	975,000	975,000
Creditors: Amounts falling due within one year	15	<u>(99)</u>	<u>(99)</u>
Net assets		<u>974,901</u>	<u>974,901</u>
Capital and reserves			
Called up share capital	18	10,500	10,500
Share premium reserve		<u>964,401</u>	<u>964,401</u>
Total equity		<u>974,901</u>	<u>974,901</u>

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

Approved and authorised by the Board on 30/7/19 and signed on its behalf by:



S M Booty
Director

The notes on pages 13 to 31 form an integral part of these financial statements.

BERKELEY HOME HEALTH HOLDCO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 April 2018	10,500	964,401	(2,963,606)	(1,988,705)
Loss for the year	-	-	(540,823)	(540,823)
At 31 March 2019	<u>10,500</u>	<u>964,401</u>	<u>(3,504,429)</u>	<u>(2,529,528)</u>

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 April 2017	10,500	964,401	(2,528,552)	(1,553,651)
Loss for the year	-	-	(435,054)	(435,054)
At 31 March 2018	<u>10,500</u>	<u>964,401</u>	<u>(2,963,606)</u>	<u>(1,988,705)</u>

The notes on pages 13 to 31 form an integral part of these financial statements.

BERKELEY HOME HEALTH HOLDCO LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Share capital £	Share premium £	Total £
At 1 April 2018 and at 31 March 2019	<u>10,500</u>	<u>964,401</u>	<u>974,901</u>

	Share capital £	Share premium £	Total £
At 1 April 2017 and at 31 March 2018	<u>10,500</u>	<u>964,401</u>	<u>974,901</u>

The notes on pages 13 to 31 form an integral part of these financial statements.

BERKELEY HOME HEALTH HOLDCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Loss for the year		(540,823)	(435,054)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	1,957,606	1,838,750
Finance income		(1,544)	(4,282)
Finance costs	6	2,593,073	1,944,660
Income tax expense	9	451,691	161,366
		<u>4,460,003</u>	<u>3,505,440</u>
Working capital adjustments			
(Increase)/decrease in trade debtors	14	(565,112)	381,256
Decrease in trade creditors	15	(356,099)	(80,784)
Cash generated from operations		<u>3,538,792</u>	<u>3,805,912</u>
Income taxes paid	9	(321,326)	(282,395)
Net cash flow from operating activities		<u>3,217,466</u>	<u>3,523,517</u>
Cash flows from investing activities			
Interest received		1,544	4,282
Acquisitions of tangible assets		(21,934)	(38,680)
Acquisition of intangible assets	10	(98,298)	(10,333)
Acquisition of subsidiary undertakings (net of cash acquired)		(11,667,496)	-
Net cash flows from investing activities		<u>(11,786,184)</u>	<u>(44,731)</u>
Cash flows from financing activities			
Interest paid		(693,146)	(480,031)
Repayment of bank borrowing		(423,300)	(348,600)
Drawdown of bank borrowings		6,250,000	-
Debt costs paid		(290,211)	-
Net cash flows from financing activities		<u>4,843,343</u>	<u>(828,631)</u>
Net (decrease)/increase in cash and cash equivalents		(3,725,375)	2,650,155
Cash and cash equivalents at 1 April		<u>4,548,524</u>	<u>1,898,369</u>
Cash and cash equivalents at 31 March		<u>823,149</u>	<u>4,548,524</u>

The notes on pages 13 to 31 form an integral part of these financial statements.

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 General Information

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

The address of its registered office is:

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

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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

Basis of preparation

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

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

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2019

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

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

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

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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

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

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

Going concern

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

Business combinations

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

Revenue recognition

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

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

Interest income

Interest income is recognised using the effective interest method.

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Intangible assets

Client lists

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

Brand value

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

Goodwill

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

Computer software

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

Tangible assets

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

Depreciation

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

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

Trade debtors

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

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

Cash and cash equivalents

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

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Creditors

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

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

Financial instruments

Classification

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

Recognition and measurement

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

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

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

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Financial instruments (continued)

Impairment

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

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

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

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

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

Leases

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

Borrowings

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

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

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

Provisions

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

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

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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.

Tax

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

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

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

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

Deferred tax is recognised on all timing differences at the reporting date apart from certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

Long term employee benefits

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

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

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

Parent company profit

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

3 Judgements and key sources of estimation uncertainty

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

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

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

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

4 Revenue

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

5 Operating profit

Arrived at after charging

	2019 £	2018 £
Auditor's remuneration - The audit of the company's annual accounts	16,000	26,250
Auditor's remuneration - other services	46,045	21,673
Depreciation expense	56,959	34,591
Amortisation expense	1,900,647	1,804,160
Rentals payable under operating leases	-	73,686

6 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank loans	693,146	387,106
Interest on loan notes	1,686,636	1,196,086
Finance costs	213,291	361,468
	<u>2,593,073</u>	<u>1,944,660</u>

7 Staff costs

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

	2019 £	2018 £
Wages and salaries	21,846,979	15,356,729
Social security costs	1,834,852	1,365,199
Pension costs, defined contribution scheme	256,982	93,309
	<u>23,938,813</u>	<u>16,815,237</u>

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

	2019 No.	2018 No.
Care	864	542
Administration (including directors)	71	69
	<u>935</u>	<u>611</u>

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

8 Directors' remuneration

The directors' remuneration for the year was as follows

	2019 £	2018 £
Remuneration	341,917	301,751
Contributions paid to money purchase schemes	1,210	-
	<u>343,127</u>	<u>301,751</u>

In respect of the highest paid director

	2019 £	2018 £
Remuneration	<u>132,000</u>	<u>127,900</u>

9 Taxation

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

	2019 £	2018 £
Current taxation		
UK corporation tax	613,022	356,407
UK corporation tax adjustment to prior periods	<u>(29,804)</u>	<u>(5,946)</u>
	583,218	350,461
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(131,527)</u>	<u>(206,195)</u>
Tax expense in the income statement	<u>451,691</u>	<u>144,266</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2018 - higher than the standard rate of corporation tax in the UK) of 19% (2018 - 19%)

The differences are reconciled below

	2019 £	2018 £
Loss before tax	<u>(89,132)</u>	<u>(290,788)</u>
Corporation tax at standard rate	(16,935)	(55,250)
Capital allowances in excess of depreciation	(3,475)	(1,024)
Non-deductible expenses (principally goodwill amortisation and loan note interest)	501,905	206,486
Adjustment for prior periods	<u>(29,804)</u>	<u>(5,946)</u>
Total tax charge	<u>451,691</u>	<u>144,266</u>

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Deferred tax

Group

Deferred tax assets and liabilities

	Liability £
2019	
Difference between amortisation charge on intangible fixed assets and capital allowances	<u>193,336</u>
2018	Liability £
Difference between amortisation charge on intangible fixed assets and capital allowances	<u>324,863</u>

10 Intangible assets

Group

	Goodwill £	Client lists and brands £	Computer software £	Total £
Cost				
At 1 April 2018	13,824,909	4,929,781	51,094	18,805,784
Additions acquired separately	98,298	-	-	98,298
Acquired through business combinations	<u>12,562,275</u>	<u>-</u>	<u>-</u>	<u>12,562,275</u>
At 31 March 2019	<u>26,485,482</u>	<u>4,929,781</u>	<u>51,094</u>	<u>31,466,357</u>
Amortisation				
At 1 April 2018	1,796,677	3,124,985	22,859	4,944,521
Amortisation charge	<u>1,157,167</u>	<u>730,707</u>	<u>12,773</u>	<u>1,900,647</u>
At 31 March 2019	<u>2,953,844</u>	<u>3,855,692</u>	<u>35,632</u>	<u>6,845,168</u>
Carrying amount				
At 31 March 2019	<u>23,531,638</u>	<u>1,074,089</u>	<u>15,462</u>	<u>24,621,189</u>
At 31 March 2018	<u>12,028,237</u>	<u>1,804,796</u>	<u>28,235</u>	<u>13,861,268</u>

The directors have considered the accounting requirements of FRS 102 and have concluded that there were no other material intangible assets acquired with the above businesses.

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

11 Tangible assets

Group

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost			
At 1 April 2018	339,701	6,693	346,394
Additions	21,934	-	21,934
Acquired through business combinations	300,980	-	300,980
Disposals	(2,044)	-	(2,044)
At 31 March 2019	<u>660,571</u>	<u>6,693</u>	<u>667,264</u>
Depreciation			
At 1 April 2018	251,921	6,693	258,614
Charge for the year	56,959	-	56,959
Acquired through business combinations	176,480	-	176,480
At 31 March 2019	<u>485,360</u>	<u>6,693</u>	<u>492,053</u>
Carrying amount			
At 31 March 2019	<u>175,211</u>	<u>-</u>	<u>175,211</u>
At 31 March 2018	<u>87,780</u>	<u>-</u>	<u>87,780</u>

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

12 Investments

Company

Subsidiaries

£

Cost and carrying amount

At 1 April 2018 and at 31 March 2019

975,000

Details of undertakings

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

Undertaking	Company House number	Principal activity	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Berkeley Home Health Limited	08781493	Care services	100%	100%
Corinium Care Limited*	03573047	Care services	100%	100%
Care Your Way Investments Limited *	02441624	Hold co	100%	100%
Fitzrovia Personal Homecare Limited*	09595772	Care services	100%	100%
Halo Homecare Limited**	04943245	Care services	100%	100%
Convivium Care Limited **	04705848	Care services	100%	100%
Rest Assured We Care Limited	06750432	Dormant	100%	100%
Berkeley Home Health Group Services Limited (formerly Loga Care Limited)*	06993562	Dormant	100%	100%
Rojene Live-In Care Limited*	06563597	Dormant	100%	100%
Apex Live-In Care Limited*	09632254	Dormant	100%	100%
Cura Domi - Care At Home Limited*	02594874	Dormant	100%	100%
Castle Care Wessex Limited*	07247118	Dormant	100%	100%
Eve Personal Homecare Limited**	07111249	Dormant	100%	100%
Care & Company Limited **	04440261	Dormant	100%	100%
Starr Care Limited**	07563096	Dormant	100%	100%
Rainbow Care Limited**	04670617	Dormant	100%	100%
Belgravia Care & Nursing Limited**	06686170	Dormant	100%	100%
Clarkecare Limited*	08676180	Care services	100%	0%
Northwood Nursing And Care Services Limited*	04038020	Care services	100%	0%
Transformation Consultancy Limited*	04794287	Care services	100%	0%
Enviva Care Limited*	07644652	Care services	100%	0%
Enviva Paediatric Care Limited****	03869350	Care services	100%	0%
Nancando Limited*	05338872	Hold co	100%	0%
Belgravia Care Limited***	06686170	Care services	100%	0%
Beassaint Care Limited****	08303263	Dormant	100%	0%

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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

* Held indirectly through Berkeley Home Health Limited
** Held indirectly through Berkeley Home Health Limited and Care Your Way Investments Limited.
*** Held indirectly through Nancando Limited
**** Held indirectly through Enviva Care Limited.

13 Business combinations

On 19 April 2018, Berkeley Home Health Limited acquired 100% of the issued share capital of Nancando Limited and its subsidiary Belgravia Care Limited obtaining control.

Nancando Limited and its subsidiary Belgravia Care Limited contributed £nil revenue and £nil to the group's profit for the period between the date of acquisition and the balance sheet date, as the trade was transferred to another group company immediately following acquisition.

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

	Fair value 2019 £
Assets and liabilities acquired	
Financial assets	138,228
Financial liabilities	<u>(32,616)</u>
Total identifiable assets	<u>105,612</u>
Goodwill	<u>191,638</u>
Total consideration	<u>297,250</u>
Satisfied by:	
Cash	<u>297,250</u>
Cash flow analysis:	
Cash consideration	297,250
Less: cash and cash equivalent balances acquired	<u>(91,122)</u>
Net cash outflow arising on acquisition	<u>206,128</u>

The useful life of goodwill is 20 years.

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

On 7 June 2018, Berkeley Home Health Limited acquired 100% of the issued share capital of Enviva Care Limited and its subsidiary Enviva Paediatric Care Limited obtaining control.

Enviva Care Limited and its subsidiary Enviva Paediatric Care Limited contributed £9,169,371 revenue and £1,172,074 to the group's profit for the period between the date of acquisition and the balance sheet date

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

	Fair value 2019 £
Assets and liabilities acquired	
Financial assets	1,646,185
Tangible assets	51,670
Financial liabilities	<u>(1,048,330)</u>
Total identifiable assets	<u>649,525</u>
Goodwill	<u>9,721,472</u>
Total consideration	<u>10,370,997</u>
Satisfied by:	
Cash	8,724,466
Contingent consideration arrangement	<u>1,646,531</u>
Total consideration transferred	<u>10,370,997</u>
Cash flow analysis:	
Cash consideration	8,724,466
Less: cash and cash equivalent balances acquired	<u>(257,028)</u>
Net cash outflow arising on acquisition	<u>8,467,438</u>

The useful life of goodwill is 20 years

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

On 28 June 2018, Berkeley Home Health Limited acquired 100% of the issued share capital of Transformation Consultancy Limited (Trading as Brighter Care) obtaining control.

Transformation Consultancy Limited (Trading as Brighter Care) contributed £699,108 revenue and £134,012 to the group's profit for the period between the date of acquisition and the balance sheet date.

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

	Fair value 2019 £
Assets and liabilities acquired	
Financial assets	1,142,562
Financial liabilities	<u>(139,575)</u>
Total identifiable assets	<u>1,002,987</u>
Goodwill	<u>1,232,704</u>
Total consideration	<u><u>2,235,691</u></u>
Satisfied by:	
Cash	<u><u>2,235,691</u></u>
Cash flow analysis:	
Cash consideration	2,235,691
Less: cash and cash equivalent balances acquired	<u>(995,414)</u>
Net cash outflow arising on acquisition	<u><u>1,240,277</u></u>

The useful life of goodwill is 20 years

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

On 12 November 2018, Berkeley Home Health Limited acquired 100% of the issued share capital of Northwood Nursing And Care Services Limited obtaining control

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

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

	Fair value 2019 £
Assets and liabilities acquired	
Financial assets	488,345
Inventory	44,231
Financial liabilities	<u>(131,874)</u>
Total identifiable assets	400,702
Goodwill	<u>1,199,668</u>
Total consideration	<u>1,600,370</u>
Satisfied by:	
Cash	<u>1,600,370</u>
Cash flow analysis:	
Cash consideration	1,600,370
Less: cash and cash equivalent balances acquired	<u>(66,087)</u>
Net cash outflow arising on acquisition	<u>1,534,283</u>

The useful life of goodwill is 20 years.

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

On 22 March 2019, Berkeley Home Health Limited acquired 100% of the issued share capital of Clarkcare Limited obtaining control

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

	Fair value 2019 £
Goodwill	219,370
Satisfied by:	
Cash	219,370
Cash flow analysis:	
Cash consideration	219,370

The useful life of goodwill is 20 years.

14 Debtors

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	2,766,614	814,546	-	-
Other debtors	39,193	11,091	-	-
Prepayments	1,075,443	482,062	-	-
	<u>3,881,250</u>	<u>1,307,699</u>	<u>-</u>	<u>-</u>

15 Creditors

		Group		Company	
	Note	2019	2018	2019	2018
		£	£	£	£
Due within one year					
Loans and borrowings	16	1,539,542	310,476	-	-
Trade creditors		119,745	89,934	-	-
Social security and other taxes		634,255	230,945	-	-
Other creditors		1,995,695	52,774	99	99
Accrued expenses		1,153,959	860,431	-	-
Corporation tax liability	9	656,751	394,859	-	-
		<u>6,099,947</u>	<u>1,939,419</u>	<u>99</u>	<u>99</u>
Due after one year					
Loans and borrowings	16	13,468,118	8,697,612	-	-
Other non-current financial liabilities		12,435,468	10,832,082	-	-
		<u>25,903,586</u>	<u>19,529,694</u>	<u>-</u>	<u>-</u>

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

16 Loans and borrowings

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Current loans and borrowings				
Bank borrowings	1,373,000	310,476	-	-
Bank overdrafts	166,542	-	-	-
	<u>1,539,542</u>	<u>310,476</u>	<u>-</u>	<u>-</u>

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Non-current loans and borrowings				
Bank borrowings	13,468,118	8,697,612	-	-
	<u>13,468,118</u>	<u>8,697,612</u>	<u>-</u>	<u>-</u>

The bank loans are secured by a floating charge over the assets of the company and other group companies. Amounts are repayable by instalments, except for a final repayment due on 30 June 2021 of £5,132,900

The other loan notes are secured and are repayable on 7th May 2020

The bank loans and other loans are stated after deducting £212,582 and £5,314 respectively of costs associated with the raising of finance. Interest on the bank loans is charged at 3.5% to 4.0% per annum above the London interbank offer rate (LIBOR). The LIBOR rate is capped for approximately 40 per cent of this loan for 3 years at 2 per cent. Interest on the other loan is charged at a rate of 12.5% per annum, rising to 16.0% per annum from 7 May 2018.

17 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 £256,982 (2018 - £93,309)

Contributions totalling £51,062 (2018 - £8,071) were payable to the scheme at the end of the year and are included in creditors.

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

18 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
A Ordinary shares of £0.01 each	700,000	7,000.00	700,000	7,000.00
B Ordinary shares of £0.01 each	25,000	250.00	25,000	250.00
C1 Ordinary shares of £0.01 each	200,000	2,000.00	200,000	2,000.00
C2 Ordinary shares of £0.03 each	50,000	1,250.00	50,000	1,250.00
	<u>975,000</u>	<u>10,500</u>	<u>975,000</u>	<u>10,500</u>

Rights, preferences and restrictions

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

19 Obligations under leases and hire purchase contracts

Company

Operating leases

The total of future minimum lease payments is as follows:

	2019	2018
	£	£
Not later than one year	235,341	69,653
Later than one year and not later than five years	263,368	56,342
Later than five years	-	16,021
	<u>498,709</u>	<u>142,016</u>

20 Financial guarantee

Berkeley Home Health Holdco Limited has given a guarantee under section 479C of the Companies Act 2006 to guarantee all outstanding liabilities of the subsidiary companies as at 31 March 2019. The subsidiary companies are therefore exempt from the requirement of the Act relating to the audit of individual accounts. The subsidiary companies that the guarantee applies to are all those non dormant companies listed in note 12, with the exception of Northwood Nursing and Care Services Limited and Clarkecare Limited subsidiaries which have not prepared accounts to 31 March 2019.

BERKELEY HOME HEALTH HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

21 Related party transactions

Company

Summary of transactions with key management and directors

The total remuneration of directors, who are considered key management for the purposes of disclosure, in the year ended 31 March 2019 (including salaries and other benefits) was £343,127 (2018 - £301,751)

In a prior year £275,000 of loan notes were issued to Mr S M Booty, a shareholder in the parent company, Berkeley Home Health Holdco Limited. The total loan balance at 31 March 2019 (including accrued interest) was £493,355 (2018 - £435,106). During the year, interest accruing on the loan totalled £57,819 (2018 - £49,570) and the total accrued interest at 31 March 2019 was £218,355 (2018 - £160,494). There were cumulative issue costs of £3,132 (2018 - £3,132) relating to these loan notes of which £nil (2018 - £450) was charged as an interest expense during the period.

Other related party transactions

During the year, £1,146,476 (2018 - £1,019,126) of loan notes were issued to the company's ultimate controlling party in respect of accrued interest to 31 March 2018 (2018 issue includes £1,019,126 in respect of accrued interest to 31 March 2017). The total loan balance at 31 March 2019 was £10,318,614 (2018 - £9,172,138). During the year, interest accruing on the loan totalled £1,619,274 (2018 - £1,161,934) and the total accrued interest at 31 March 2019 was £1,619,274 (2018 - £1,161,934). There were cumulative issue costs of £85,781 (2018 - £81,982) relating to these loan notes of which £10,552 (2018 - £15,417) was charged as an interest expense during the period.

During the year, the company also incurred monitoring fees of £89,935 (2018 - £98,877) to August Equity LLP, a connected party of the ultimate controlling entity.

22 Parent and ultimate parent undertaking

The company is controlled by August Equity Partners III GP Limited, a company registered in Scotland, which is considered to have no single controlling party.