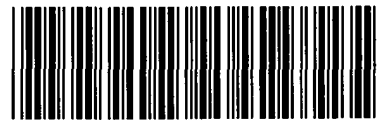


Company Registration No. 08929371 (England and Wales)

CAMBIAN GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

THURSDAY



AA6CSNOX

A10

10/06/2021

#39

COMPANIES HOUSE

CAMBIAN GROUP LIMITED

COMPANY INFORMATION

Directors

C K Dickinson
F Sheikh
H Sheikh
J D Wiles

Company number

08929371

Registered office

Metropolitan House
3 Darkes Lane
Potters Bar
Hertfordshire
EN6 1AG

CAMBIAN GROUP LIMITED

CONTENTS

	Page
Directors' report	1
Statement of comprehensive income	2
Statement of financial position	3 - 4
Statement of changes in equity	5
Notes to the financial statements	6 - 20

CAMBIAN GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present their annual report and financial statements for the year ended 30 September 2020.

Principal activities

The principal activity of the company is the provision of high quality specialist education and behavioural health services for children, offering a differentiated and integrated education and care model focusing on children with high severity needs across three divisions, namely residential care, specialist education and therapeutic fostering.

Results and dividends

The results for the year are set out on page 2.

Ordinary dividends were paid amounting to £Nil (2019: £28,000,000).

Strategic report exemption


The company has taken advantage of the small companies exemption under S414B of the Companies Act 2006 from the requirement to prepare a strategic report.

Directors

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

C K Dickinson
F Sheikh
H Sheikh
J D Wiles

On behalf of the board



C K Dickinson

Director

Date: 30 April 2021

CAMBIAN GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020 £'000	2019 £'000
Distribution costs		-	63
Administrative expenses		(8)	(3,812)
Exceptional item		(9)	-
Operating loss		<u>(17)</u>	<u>(3,749)</u>
Investment income	6	2,520	3,254
Finance costs	7	-	(16)
Profit/(loss) before taxation		<u>2,503</u>	<u>(511)</u>
Tax on profit/(loss)	8	(30)	-
Profit/(loss) and total comprehensive income for the financial year		<u><u>2,473</u></u>	<u><u>(511)</u></u>

The income statement has been prepared on the basis that all operations are continuing operations.

CAMBIAN GROUP LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2020

	Notes	2020 £'000	2019 £'000
Non-current assets			
Investments	10	369,984	369,984
Current assets			
Other receivables	12	47,666	45,463
Current tax recoverable		-	3,194
Cash and cash equivalents		231	119
		47,897	48,776
Current liabilities			
Trade and other payables	13	880	4,262
Taxation and social security		22	-
		902	4,262
Net current assets		46,995	44,514
Total assets less current liabilities		416,979	414,498
Provisions for liabilities			
Deferred tax liabilities	14	8	-
Net assets		416,971	414,498
Equity			
Called up share capital	16	1,861	1,861
Other reserves		400,343	400,343
Retained earnings		14,767	12,294
Total equity		416,971	414,498

For the financial year ended 30 September 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

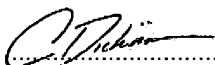
The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

CAMBIAN GROUP LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 SEPTEMBER 2020

The financial statements were approved by the board of directors and authorised for issue on 30 April 2021 and are signed on its behalf by:



C K Dickinson
Director

Company Registration No. 08929371

CAMBIAN GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2020

		Share capital	Share premium account	Other reserves	Retained earnings	Total
	Notes	£'000	£'000	£'000	£'000	£'000
Balance at 1 October 2018		1,842	20,499	399,465	20,306	442,112
Year ended 30 September 2019:						
Loss and total comprehensive income for the year		-	-	-	(511)	(511)
Issue of share capital	16	19	-	-	-	19
Dividends	9	-	-	-	(28,000)	(28,000)
Transfer to other reserves		-	-	878	-	878
Other movements		-	(20,499)	-	20,499	-
Balance at 30 September 2019		1,861	-	400,343	12,294	414,498
Year ended 30 September 2020:						
Profit and total comprehensive income for the year		-	-	-	2,473	2,473
Balance at 30 September 2020		1,861	-	400,343	14,767	416,971

CAMBIAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

Company information

Cambian Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire, EN6 1AG. The company's principal activities and nature of its operations are disclosed in the directors' report.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared on the historical cost basis except that certain financial instruments are stated at their fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of CareTech Holdings PLC in which the entity is consolidated;
- the requirements of paragraph 33 (c) of IFRS 5 Non current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

Where required, equivalent disclosures are given in the group accounts of CareTech Holdings PLC. The group accounts of CareTech Holdings PLC are available to the public and can be obtained as set out in note 17.

CAMBIAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Company has undertaken extensive activity to identify and mitigate its exposure to plausible risks which may arise from COVID-19. After making due enquiries and current assessment of the likelihood of the COVID-19 risks arising together with their assessment of the planned mitigating actions being successful, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

1.3 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

CAMBIAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

The company has made an irrevocable election to recognize changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. Equity instruments measured at fair value through other comprehensive income are recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income are directly transferred to retained earnings when equity instrument is derecognized or its fair value substantially decreased. Dividends are recognized as finance income in profit or loss.

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.6 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

CAMBIAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

CAMBIAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Critical judgements

Current asset provisions

In the course of normal trading activities, judgement is used to establish the net realisable value of various elements of working capital, principally trade receivables. Provisions are established for bad and doubtful debts. Provisions are based on the facts available at the time and are also determined by using profiles, based upon past practise, applied to aged receivables.

Deferred taxation

The company may recognise deferred tax assets in respect of temporary differences arising. This requires management to make decisions on the recoverability of such deferred tax assets based on future forecasts of taxable profit. If these forecast profits do not materialise, or there are changes in the tax rates or to the period over which the losses or timing difference might be recognised, the value of the deferred tax asset will need to be revised in a future period.

Key sources of estimation uncertainty

Incremental borrowing rate

Implementation of the new leasing standard IFRS16 requires the Company to apply judgement in determining an appropriate incremental borrowing rate to use as the discount rate when the interest rate implicit in the lease cannot be readily determined.

CAMBIAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

3 Adoption of new and revised standards and changes in accounting policies

In 2020 the Company has adopted IFRS 16 and follows this standard for the recognition of leases.

IFRS 16 'Leases' replaces IAS 17 'Leases' along with three Interpretations (IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease').

The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting IFRS 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Accordingly, the Company is not required to present a third statement of financial position as at that date. Prior periods have not been restated.

For contracts in place at the date of initial application, the Company has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as lease under IAS 17 and IFRIC 4.

The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16, being 1 October 2019. At this date, the Company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months, including those on a rolling basis, and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight line basis over the remaining lease term. Leases on a rolling basis are assessed as short-term due to the legal enforceable period being less than 12 months.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under IAS 17 immediately before the date of initial application.

CAMBIAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

3 Adoption of new and revised standards and changes in accounting policies (Continued)

Sale and leaseback transactions entered into before the date of initial application have not been reassessed to determine whether the transfer of the underlying asset satisfies the requirements in IFRS 15 to be accounted for as a sale. On transition, finance sale and leaseback transactions under IAS 17 are accounted for in the same way as any other finance lease that exists at the date of initial application and any gains are amortised over the lease term. For operating sale and leaseback transactions, the leaseback is accounted for in the same way as any other operating lease that exists at the date of initial application, and the leaseback right-of-use asset is adjusted for any deferred gains or losses that relate to off-market terms recognised in the statement of financial position immediately before the date of initial application.

On transition to IFRS 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 was between 2.5% to 2.6% for equipment, 2.6% for motor vehicles and 3.5% for land and buildings. The incremental borrowing rate was determined by considering the Company's current borrowing rates, comparator borrowing rates and property yield rates.

Lease liabilities recognised under IAS 17 and previously presented in loans and borrowings, and ground rent liabilities arising under IAS 17, have been represented as lease liabilities.

Right of use assets have been reclassified into a separate category from property, plant and equipment as at 1 October 2019.

4 Revenue

	2020 £'000	2019 £'000
Other significant revenue		
Interest income	2,520	3,254

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was nil (2019: nil).

None of the directors received any emoluments for their services to the company during the year (2019: none). The number of directors to whom pension contributions are accruing is nil (2019: nil).

6 Investment income

	2020 £'000	2019 £'000
Interest income		
Interest on bank deposits	-	33
Interest receivable from group companies	2,520	3,221
Total income	2,520	3,254

CAMBIAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

7 Finance costs

	2020 £'000	2019 £'000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	16
	<u> </u>	<u> </u>

8 Taxation

	2020 £'000	2019 £'000
Current tax		
UK corporation tax on profits for the current period	22	-
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of temporary differences	8	-
	<u> </u>	<u> </u>
Total tax charge	30	-
	<u> </u>	<u> </u>

The charge for the year can be reconciled to the profit/(loss) per the income statement as follows:

	2020 £'000	2019 £'000
Profit/(loss) before taxation	2,503	(511)
	<u> </u>	<u> </u>
Expected tax charge/(credit) based on a corporation tax rate of 19.00% (2019: 19.00%)	476	(97)
Effect of expenses not deductible in determining taxable profit	-	787
Adjustment in respect of prior years	22	-
Group relief	(468)	(690)
	<u> </u>	<u> </u>
Taxation charge for the year	30	-
	<u> </u>	<u> </u>

9 Dividends

	2020 £'000	2019 £'000
Amounts recognised as distributions to equity holders:		
Ordinary shares		
Final dividend paid	-	28,000
	<u> </u>	<u> </u>
	-	28,000
	<u> </u>	<u> </u>

CAMBIAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

10 Investments

	2020 £'000	2019 £'000
Investments in subsidiaries	369,984	369,984

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

Fair value of financial assets carried at amortised cost

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Movements in non-current investments

	Shares in group undertakings £'000
Cost or valuation	
At 1 October 2019 & 30 September 2020	369,984
Carrying amount	
At 30 September 2020	369,984
At 30 September 2019	369,984

11 Subsidiaries

Details of the company's subsidiaries at 30 September 2020 are as follows:

Name of undertaking	Registered office	Nature of business	% Held Direct Indirect	
Cambian Group Holdings Limited	5th Floor Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire, EN6 1AG	Non-Trading	100	-
Cambian Capital Limited	9 Burrard Street, St Helier, Jersey JE4 5SE	Non-Trading	100	-
Cambian Developments Limited	As above	Non-Trading	-	100
Cambian Finance Limited	As above	Non-Trading	-	100
Cambian Manco Limited	As above	Non-Trading	-	100
Cambian Developments I Limited	As above	Non-Trading	-	100
Cambian Developments II Limited	As above	Property	-	100
Cambian Holdings Limited	As above	Non-Trading	-	100
Cambian Properties II Limited	As above	Non-Trading	-	100

CAMBIAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

11 Subsidiaries

(Continued)

Name of undertaking	Registered office	Nature of business	% Held	
			Direct	Indirect
Cambian Properties (UK) Limited	5th Floor Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire, EN6 1AG	Non-Trading	-	100
Cambian Heritage I Limited	As above	Non-Trading	-	100
Cambian Heritage II Limited	As above	Property	-	100
Cambian Education Services Limited	As above	Trading	-	100
Cambian Asperger Syndrome Services Limited	As above	Trading	-	100
Cambian Autism Services Limited	As above	Trading	-	100
Care Aspirations Capital Limited	9 Burrard Street, St Helier, Jersey JE4 5SE	Non-Trading	-	100
Care Aspirations Finance Limited	As above	Non-Trading	-	100
Care Aspirations Holdings Limited	As above	Non-Trading	-	100
Cambian Sighpost Limited	5th Floor Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire, EN6 1AG	Trading	-	100
Cambian Whinfell School Limited	As above	Trading	-	100
Advanced Childcare Capital Limited	9 Burrard Street, St Helier, Jersey JE4 5SE	Non-Trading	100	-
Advanced Childcare Finance Limited	As above	Non-Trading	-	100
Advanced Childcare Holdings Limited	As above	Non-Trading	-	100
Advanced Childcare Group Limited	5th Floor Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire, EN6 1AG	Non-Trading	-	100
Advanced Childcare Services Limited	As above	Non-Trading	-	100
Cambian Childcare Properties Limited	As above	Property	-	100
Cambian Childcare Limited	As above	Trading	-	100
Continuum Care and Education Group Limited	As above	Non-Trading	-	100
Clifford House Limited	As above	Non-Trading	-	100
Independent Childcare Group of Schools Limited	As above	Non-Trading	-	100
SACCS Limited	As above	Non-Trading	-	100
Elite Children's Care Limited	As above	Non-Trading	-	100
Herts Care Group Limited	As above	Non-Trading	-	100
Inhoco 2993 Limited	As above	Non-Trading	-	100
SACCS Care Limited	As above	Non-Trading	-	100
Farrow House Limited	As above	Non-Trading	-	100
Cambian Care (Powys) Limited	As above	Non-Trading	-	100
Herts Care (Escourt and Supervision Services) Limited	As above	Non-Trading	-	100
Herts Care Limited	As above	Non-Trading	-	100
Cambian FS Limited	As above	Non-Trading	-	100
By The Management Company Limited	As above	Non-Trading	-	100
By The Bridge Holdings Limited	As above	Non-Trading	-	100

CAMBIAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

11 Subsidiaries

(Continued)

Name of undertaking	Registered office	Nature of business	% Held	
			Direct	Indirect
By The Bridge Limited	As above	Trading	-	100
By The Bridge North West Limited	As above	Trading	-	100
Interact Care Limited	As above	Trading	-	100
Green Corns Limited	As Above	Non-Trading	-	100
Care Aspirations Limited	9 Burrard Street, St Helier, Jersey JE4 5SE	Non-Trading	100	-

12 Trade and other receivables

	2020 £'000	2019 £'000
Corporation tax recoverable	-	3,194
Amounts owed by fellow group undertakings	47,666	45,458
Other receivables	-	5
	<u>47,666</u>	<u>48,657</u>

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

13 Trade and other payables

	2020 £'000	2019 £'000
Amounts owed to fellow group undertakings	-	3,382
Accruals and deferred income	860	860
Other payables	20	20
	<u>880</u>	<u>4,262</u>

CAMBIAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

14 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	ACAs £'000
Deferred tax liability at 1 October 2018 and 1 October 2019	-
Deferred tax movements in current year	
Credit to profit or loss	8
	<hr/>
Deferred tax liability at 30 September 2020	8
	<hr/>

Deferred tax assets and liabilities are offset in the financial statements only where the company has a legally enforceable right to do so.

CAMBIAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

15 Share-based payment transactions

The entity has a forfeitable share scheme for the executive directors and qualifying employees (participant). The participant will forfeit the forfeitable shares if they cease to be an employee of the Group before the vesting date, unless otherwise determined by the Board.

During 2014, and prior to IPO, nil-cost options were awarded to certain employees and executives of the Group under Continuation Option Plan 1 and Continuation Option Plan 2. 3,199,997 nil-cost options over ordinary shares were awarded under Continuation Option Plan 1, and a third of these become exercisable on each of the third, fourth and fifth anniversaries of the date of IPO and remain exercisable until the tenth anniversary of the date of IPO. 246,225 nil-cost options over ordinary shares were awarded under Continuation Option Plan 2, and these become exercisable 18 months from the date of IPO and remain exercisable until the tenth anniversary of the date of IPO. All of the nil-cost options awarded under these plans were awarded at the then fair value market price of 225 pence.

The total fair value charge of £7.8m is being expensed over the vesting periods, ranging between 18 months and 5 years. The total expense recognised in the year was £nil (2019: £0.2m).

The number of shares under option under COP1 were adjusted during the period to preserve the rights of the holder as a result of the special dividend paid on 26 February 2018.

On 15 February 2017 nil-cost options were awarded to certain executives of the Group under its Long-Term Incentive Plan. 663,982 nil-cost options over ordinary shares were awarded, these become exercisable on the third anniversary on the date of grant subject to an absolute total shareholder return metric being met and these remain exercisable until the tenth anniversary of the grant date.

On 18 July 2017 nil-cost options were awarded to certain employees and executives of the Group under its Long-Term Incentive Plan. 1,087,917 nil-cost options over ordinary shares were awarded, these become exercisable on the third anniversary on the date of grant subject to an absolute total shareholder return metric being met and these remain exercisable until the tenth anniversary of the grant date.

The total fair value charge of £1.3m in relation to the 2017 Long Term Incentive Plans is being expensed over the vesting period. The total expense recognised in the year was £nil (2019: £0.2m).

The Cambian Group Limited Remuneration Committee agreed, subject to Board approval that following the change in control on 19 October 2018, all LTIP awards should vest in full and not be time pro-rated. The Board duly approved. COP1 awards became exercisable in full following the change in control under the terms of the plan.

CAMBIAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

15 Share-based payment transactions

(Continued)

	Number of share options		Weighted average exercise price	
	2020	2019	2020 pence	2019 pence
Outstanding at 1 October 2019	-	3,731,763	-	-
Exercised	-	(3,731,763)	-	190
Outstanding at 30 September	-	-	-	190
Exercisable at 30 September	-	-	-	-

Liabilities and expenses

Total expenses of £nil related to equity settled share based payment transactions were recognised in the year. (2019 - £194,630).

16 Share capital

	2020 £'000	2019 £'000
Ordinary share capital		
<i>Issued and fully paid</i>		
186,110,742 Ordinary shares of 1p each	1,861	1,861

17 Controlling party

The company's ultimate parent undertaking is CareTech Holdings PLC. The consolidated financial statements of this Group are available to the public and may be obtained from Metropolitan House, 3 Darkes lane, Potters Bar, Hertfordshire, EN6 1AG.

The company is included in the consolidated accounts of CareTech Holdings PLC.

CAMBIAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

18 Financial instruments

These are designed to reduce the financial risks faced by the company, which primarily relate to credit, interest and liquidity risks, which arise in the normal course of the company's business.

Credit risk

Financial instruments which potentially expose the company to credit risk consist primarily of cash equivalents and trade receivables. Cash equivalents are deposited only with major financial institutions that satisfy certain credit criteria.

Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are carried out on all significant prospective customers and all existing customers requiring credit beyond a certain threshold. Varying approval levels are set on the extension of credit depending upon the value of the sale.

Where the credit risk is deemed to have risen to an unacceptable level, remedial actions including the variation of terms of trade are implemented under the guidance of senior management until the level of credit risk has been normalised.

The company provides credit to customers in the normal course of business with a provision for specific doubtful receivables. The balance includes the amounts considered recoverable which also equals their fair value. The company does not require collateral in respect of financial assets. During the year there was no charge to the income statement for bad or doubtful debts (30 September 2019: £Nil).

At the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Interest rate risk

The company finances its operations through called up share capital, retained profits, intergroup borrowings and bank borrowings. The company's income is by its nature relatively stable and its growth is, inter alia, impacted by inflation. Company policy is to balance interest rate fixes between the short, medium and long term. The benchmark rate for bank borrowings is LIBOR.

Liquidity Risk

The company prepares annual cash flow forecasts reflecting known commitments and anticipated projects. Borrowing facilities are arranged as necessary to finance requirements. The wider group has available bank and overdraft facilities, sufficient, with cash flow from profits, to fund present commitments. Term facilities are utilised to fund capital expenditure and short term flexibility is achieved by the utilisation of overdraft facilities in respect of financial liabilities. There were no contractual cash flow maturities at 30 September 2020 (30 September 2019: £Nil).

Capital risk management

The company manages its capital to ensure that activities of the company will be able to continue as going concerns whilst maximising returns for stakeholders through the optimisation of debt and equity. The company does not currently have any external debt and details of the company's equity are disclosed in the Statement of Financial Position.

Foreign currency risk

The company operates entirely in the UK and is not exposed to any foreign currency risks.

Sensitivity analysis

In managing interest rate risks the company aims to reduce the impact of short-term fluctuations on the company's earnings. Over the longer-term, however, permanent changes in interest rates would have an impact on earnings. However, the wider group's financing arrangements mean that there is not expected to be a significant impact from interest rate changes on the company.

Fair values

Book values are considered to be equivalent to fair values.