

Company Registration No. 12741021 (England and Wales)

BLOOMCARE GROUP LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 14 JULY 2020 TO 31 JULY 2021

BLOOMCARE GROUP LTD

COMPANY INFORMATION

Directors	Mr L Ramos Mrs A Tan-Ramos	(Appointed 14 July 2020) (Appointed 14 July 2020)
Company number	12741021	
Registered office	34 Scarisbrick New Road Southport PR8 6QE	
Auditor	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP	

BLOOMCARE GROUP LTD

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BLOOMCARE GROUP LTD

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 JULY 2021

The directors present the strategic report for the long period ended 31 July 2021, from incorporation on 14 July 2020.

Principal activities

The principal activity of the group is that of the operation and provision of special dementia care centres.

The principal activity of the company is that of a parent company of a trading group.

Fair review of the business

The directors of Bloomcare Group Ltd have been operating care homes since 2004 with growth through acquisition in 2007, 2015, 2019 and 2021. In April 2021, the group undertook a restructure to bring all operating companies under Bloomcare Group Ltd to include all the Bloomcare branded sites together and making use of the "Bloomcare" registered trademark. This decision was also influenced by our ambitious growth plans and part of getting the correct corporate structure in place to be able to secure future investment. The consolidated results therefore represent the group's results from 1 May 2021 to 31 July 2021.

The current portfolio consists of 11 homes with 759 rooms throughout the Northwest. Specialising in dementia, Bloomcare are enriching lives with excellence in care and have a core set of values which the whole teamwork towards: Love, Servant's Heart, Excellence, Courage, Fun, Integrity, Team. We believe that instilling these values will bring the best journey for our residents and focus our team on achieving the financial and non-financial results for the group.

During this financial period, we have added two homes to the portfolio with an increase of 120 beds. Promoting excellence in dementia care, it is anticipated that the latest two homes will become specialist hubs for the Northwest.

It has been a challenging period across the group with several covid outbreaks and reduced occupancy overall. This is trending upwards, and we are confident that it will return to pre-pandemic levels by the end of July 2022. Infection control funding provided by the government has been used strategically to improve the properties and contribute to increase staffing costs to facilitate visiting and safe admissions.

The board continues to invest to build the Bloomcare brand to facilitate growth of the group. A new training platform has been launched this period which allows oversight of mandatory training as well as additional courses to further upskill staff where we identify talent. Our team are at the heart of Bloomcare, and we wish to develop them as much as possible.

Within the head office team there have been four appointments – two Operation Managers, IT Infrastructure Manager and a Director of People. These posts were created to have clear heads of departments for each of the head office functions so that we have the stable foundations on which to grow.

Future developments

Bloomcare plan to continue to grow through acquisition over the next few years. Historically, the strategy has been to take on 'turnaround' homes and we have proven successful in taking on these difficult prospects and turning them into profit generating homes. We will also see organic growth as the newer acquisitions achieve their target KPIs.

BLOOMCARE GROUP LTD

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2021

Covid-19 impact

During FY21 Covid-19 was still widely reported and the risks to the residents in our homes was significant. During this period, unfortunately all our homes had a designated outbreak of Covid. This was dealt with swiftly in line with all local authority guidelines.

Government funding was granted to assist with the pandemic, and we have used this to invest in safe visiting areas and processes so that our residents can continue to see their loved ones with minimal risks to all. We are also improving the environment for infection control purposes and ensuring staff receive full pay when required to isolate.

An outbreak of Covid in the home continues to be our biggest concern however we are mitigating this by enhanced PPE use, restricted access to the home and additional cleaning regimes. All residents follow all isolation requirements following admission and any essential visits outside the home. Regular testing is in place for all staff and residents to give the earliest sign of the virus so that isolation of those affected can be actioned. Most staff and residents have been vaccinated and we are hopeful this will be the key to reducing spread of the virus.

Principal risks and uncertainties

Management continually monitors the key risks facing the group, together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The principal risks and uncertainties facing the group are as follows:

Credit risk - the group's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited. The principal credit risk therefore arises from debtors. The majority of clients provided with credit receive funding from their local councils reducing the likelihood of default.

Liquidity risk - The group seeks to manage liquidity risk by ensuring that sufficient cash resources are available to meet the foreseeable needs.

Interest rate risk - The group finances its operations through a mixture of retained profits and borrowing. The group is exposed to interest rate increases as all borrowings have variable rates of interest. At times of interest rate volatility hedging and/or rate capping is considered.

Competitor pressure - the market in which the group operates is relatively competitive, and therefore competitor pressure could result in losing sales to key competitors. The group manages this risk by maintaining their accreditation for the provision of care under the Community Care Act and marketing the Bloomcare brand to increase awareness across the market.

Loss of key personnel - such personnel are appropriately remunerated to ensure that good performance is recognised and a project to implement succession planning across the business has been undertaken so that there is a clear progression path for all. Each staff member is treated as an individual and their motivations are considered.

BLOOMCARE GROUP LTD

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2021

Key performance indicators

Management use a range of performance measures to monitor and manage the business. The KPIs used to determine the progress and performance of the group are set out below. The figures assume consolidated position for the year ended 31 July 2020 and the year ended 31 July 2021.

Turnover – full period of £18.6m is an increase of 8.5% from last year. The operations from two additional homes from April 2021 brought most of this increase as although average fees have increased, the reduction in occupancy reduced the effect.

Gross profit margin – dropped during the period to 22% from 25%. This was expected due to increased staffing levels and absence through Covid outbreaks. The additional costs were covered by grant funding which is represented in Other Income. A small drop in gross profit was planned at April 2021 due to the two new homes that were being taken on requiring a period of 12 months to 'turnaround'.

The net asset position of £4.4m at the reporting date - is estimated to have increased by £1.6m from prior year.

CQC ratings - 7 homes rated "Good", 2 yet to be inspected and 2 as "Requires Improvement". We have a robust quality assurance and improvement program being implemented by one of the new Operations Managers and look forward to seeing these ratings rise.

Bed occupancy – overall bed occupancy dropped by 2% but is trending upwards from the lowest point in July 2020. We are comfortable that this will continue to improve and return to pre-pandemic levels.

Labour margin – unfortunately this period due to a national shortage of care workers, agency staffing has been heavily relied upon in our larger homes. We only work with a select few partners to ensure consistency of care across the homes. There are ongoing recruitment campaigns, and we are hopeful of obtaining a sponsor license to bring in nurses from outside the UK to assist with the professional shortage.

Weekly fees – across all homes, fees increased by 3.1% to average of £651.

Other information and explanations

The principal financial instruments comprise bank loans and amounts loaned between group and related undertakings. The main purpose of these instruments is to finance the group's operations and to optimise cash flow.

In respect of bank balances, the liquidity risk is managed by ensuring sufficient cash resources are available to meet foreseeable needs.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to clients and the regular monitoring of amounts outstanding for both time and credit limits. There is a focus on the relationship between our group and the local authorities. They are instrumental in recovering any unpaid fees as they are ultimately responsible for the care placement of our residents.

On behalf of the board

Mr L Ramos
Director

21 April 2022

BLOOMCARE GROUP LTD

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 JULY 2021

The directors present their annual report and financial statements for the period ended 31 July 2021.

Principal activities

The principal activity of the group is that of the operation and provision of special dementia care centres.

The principal activity of the company is that of a parent company of a trading group.

The company was incorporated on 14 July 2020.

Results and dividends

The results for the period are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

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

Mr L Ramos	(Appointed 14 July 2020)
Mrs A Tan-Ramos	(Appointed 14 July 2020)

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Auditor

MHA Moore and Smalley was appointed as auditor to the group and are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of risk management objectives and policies.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

BLOOMCARE GROUP LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 JULY 2021**

On behalf of the board

Mr L Ramos
Director

21 April 2022

BLOOMCARE GROUP LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 JULY 2021

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then 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 ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BLOOMCARE GROUP LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BLOOMCARE GROUP LTD

Opinion

We have audited the financial statements of Bloomcare Group Ltd (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 July 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 July 2021 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

BLOOMCARE GROUP LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BLOOMCARE GROUP LTD

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the 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 the 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 directors' responsibilities statement, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations;
- Enquires with management about any known or suspected instances of fraud;
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls;
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries.

BLOOMCARE GROUP LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BLOOMCARE GROUP LTD

Because of the field in which the client operates we identified that employment law, health and safety legislation, health and social care regulations, compliance with Care Quality Commission standards, and compliance with the UK Companies Act are the areas most likely to have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognize the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

Jonathan Pinder (Senior Statutory Auditor)
For and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

21 April 2022

BLOOMCARE GROUP LTD**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 JULY 2021**

	Notes	Period ended 31 July 2021 £
Turnover	3	5,787,586
Cost of sales		(4,736,269)
Gross profit		<u>1,051,317</u>
Administrative expenses		(1,619,251)
Other operating income		401,811
Operating loss	4	<u>(166,123)</u>
Interest payable and similar expenses	8	(36,847)
Loss before taxation		<u>(202,970)</u>
Tax on loss	9	(81,455)
Loss for the financial period		<u><u>(284,425)</u></u>
(Loss)/profit for the financial period is attributable to:		
- Owners of the parent company		(285,515)
- Non-controlling interests		1,090
		<u><u>(284,425)</u></u>
Total comprehensive income for the period is attributable to:		
- Owners of the parent company		(285,515)
- Non-controlling interests		1,090
		<u><u>(284,425)</u></u>

BLOOMCARE GROUP LTD**GROUP BALANCE SHEET****AS AT 31 JULY 2021**

	Notes	2021 £	£
Fixed assets			
Intangible assets	10		147,882
Tangible assets	11		6,329,923
			<u>6,477,805</u>
Current assets			
Debtors	14	9,522,385	
Cash at bank and in hand		1,043,391	
		<u>10,565,776</u>	
Creditors: amounts falling due within one year	15	(3,199,649)	
		<u></u>	
Net current assets			7,366,127
			<u></u>
Total assets less current liabilities			13,843,932
			<u></u>
Creditors: amounts falling due after more than one year	16		(9,075,168)
			<u></u>
Provisions for liabilities			
Deferred tax liability	18	393,570	
		<u></u>	(393,570)
			<u></u>
Net assets			4,375,194
			<u><u></u></u>
Capital and reserves			
Called up share capital	21		244
Other reserves			3,710,637
Profit and loss reserves			(285,515)
			<u></u>
Equity excluding non-controlling interests			3,425,366
Non-controlling interests			949,828
			<u></u>
			<u><u>4,375,194</u></u>

The financial statements were approved by the board of directors and authorised for issue on 21 April 2022 and are signed on its behalf by:

Mr L Ramos
Director

BLOOMCARE GROUP LTD**COMPANY BALANCE SHEET****AS AT 31 JULY 2021**

	Notes	2021 £	£
Fixed assets			
Tangible assets	11		45,980
Investments	12		3,710,979
			<u>3,756,959</u>
Current assets			
Debtors	14	9,356,575	
Cash at bank and in hand		3	
		<u>9,356,578</u>	
Creditors: amounts falling due within one year	15	(454,745)	
		<u></u>	
Net current assets			8,901,833
Total assets less current liabilities			<u>12,658,792</u>
Creditors: amounts falling due after more than one year	16		(9,075,168)
Provisions for liabilities			
Deferred tax liability	18	981	
		<u></u>	(981)
Net assets			<u>3,582,643</u>
Capital and reserves			
Called up share capital	21		244
Other reserves			3,710,637
Profit and loss reserves			(128,238)
			<u></u>
Total equity			<u>3,582,643</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the period was £128,238.

The financial statements were approved by the board of directors and authorised for issue on 21 April 2022 and are signed on its behalf by:

Mr L Ramos
Director

Company Registration No. 12741021

BLOOMCARE GROUP LTD

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 JULY 2021

	Share capital	Other reserves	Profit and loss reserves	Non-controlling interest	Total
	£	£	£	£	£
Period ended 31 July 2021:					
Loss and total comprehensive income for the period	-	-	(285,515)	(285,515)	(284,425)
Issue of share capital	244	3,710,637	-	3,710,881	3,710,881
Other movements	-	-	-	-	948,738
Balance at 31 July 2021	<u>244</u>	<u>3,710,637</u>	<u>(285,515)</u>	<u>3,425,366</u>	<u>4,375,194</u>

BLOOMCARE GROUP LTD**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JULY 2021**

		Share capital	Other reserves	Profit and loss reserves	Total
	Notes	£	£	£	£
Period ended 31 July 2021:					
Loss and total comprehensive income for the period		-	-	(128,238)	(128,238)
Issue of share capital	21	244	3,710,637	-	3,710,881
Balance at 31 July 2021		<u>244</u>	<u>3,710,637</u>	<u>(128,238)</u>	<u>3,582,643</u>

BLOOMCARE GROUP LTD

GROUP STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 JULY 2021

	Notes	2021 £	£
Cash flows from operating activities			
Cash absorbed by operations	27		(108,107)
Interest paid			(36,847)
Income taxes paid			(133,619)
Net cash outflow from operating activities			(278,573)
Investing activities			
Purchase of business		944,515	
Purchase of tangible fixed assets		(459,499)	
Receipts arising from loans made		(171,990)	
Net cash generated from/(used in) investing activities			313,026
Financing activities			
Proceeds from issue of shares		2	
Repayments of bank loans		(8,292,795)	
Proceeds of new bank loans		9,300,000	
Net cash generated from/(used in) financing activities			1,007,207
Net increase in cash and cash equivalents			1,041,660
Cash and cash equivalents at beginning of period			-
Cash and cash equivalents at end of period			1,041,660
Relating to:			
Cash at bank and in hand			1,043,391
Bank overdrafts included in creditors payable within one year			(1,731)

BLOOMCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2021

1 Accounting policies

Company information

Bloomcare Group Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 34 Scarisbrick New Road, Southport, PR8 6QE.

The group consists of Bloomcare Group Ltd and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being the parent member of a group which prepares these consolidated financial statements, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. This company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within these consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts of financial instruments;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Investments in subsidiaries are accounted for at cost less impairment.

Any deferred tax movements on assets previously revalued in subsidiary companies prior to the acquisition date is reflected in the profit and loss account.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Bloomcare Group Ltd together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 31 July 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions and balances between group companies are eliminated on consolidation.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

BLOOMCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2021

1 Accounting policies

(Continued)

1.4 Going concern

The coronavirus has continued to have a significant impact on many businesses.

The group is well placed to minimise any impact. Management are continuously assessing the impact of the coronavirus on residents, suppliers and employees. Regular contact is taking place throughout the supply chain to minimise any disruption. Strategies and procedures are already in place for administrative employees to work remotely, and for additional nursing staff to quickly be sourced when required. All of which enables the business the flexibility it requires to both prepare and react to the ever-changing unprecedented circumstances.

Fee income remains unaffected and the current occupancy remains high.

The group has healthy cash reserves, which again places it well to minimise any impact of a reduced cashflow that any disruption, including a government forced lockdown may cause. The Group has made use of relevant Government initiatives (such as the furlough scheme, local authority grants and the Coronavirus Business Interruption Loan Scheme) that are available in order to minimise the impact on the company's cashflow during this period. Given the fluidity of the situation, the directors continue to monitor events and act as required.

The group is well placed to continue for the foreseeable future.

After considering the impact of the above, at the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Reporting period

The financial statements cover from incorporation, being 14 July 2020, to 31 July 2021. The reporting date has been chosen to be in line with that of fellow group companies.

1.6 Turnover

Turnover represents the invoiced sales of care home accommodation and nursing services excluding VAT.

Revenue from contracts for the provision of care home and nursing services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by reference to the period of stay within the carehome and only when nursing services are recognised and subsequently invoiced. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

BLOOMCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2021

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	Straight line at 2%
Leasehold buildings	Straight line at 20%
Plant and equipment	Straight line at 20%
Fixtures, fittings and equipment	Straight line at 20%-25%
Office equipment	Straight line at 20%-33%
Motor vehicles	Straight line at 20%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.9 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

BLOOMCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2021

1 Accounting policies

(Continued)

Other financial assets

All of the group's financial assets are basic financial instruments.

Impairment of financial assets

Financial assets 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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. Trade creditors are recognised initially at transaction price.

Other financial liabilities

All of the group's financial liabilities are basic financial instruments.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

BLOOMCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2021

1 Accounting policies

(Continued)

1.14 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 profit and loss account 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 group'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 liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing 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 profit and loss account, 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 if, and only if, there is 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.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

BLOOMCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2021

1 Accounting policies

(Continued)

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Going concern

As indicated in note 1.4 it is the directors' assessment that the group continues to be a going concern. Accordingly assets and liabilities have been valued on the basis that the group will continue in business. If this presumption is proven to be mistaken the carrying value of assets and liabilities would need to be reappraised to reflect the impact of cessation.

Assessing indicators of impairment

In assessing whether there have been any indicators of impaired assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no material indicators of impairment identified during the current financial year.

BLOOMCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2021

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

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

Useful lives of freehold land and buildings

The company depreciates tangible assets over their estimated useful lives. The estimation of useful lives of assets is based on expectations about future use as well as historic performance and therefore requires management to make some estimates based on assumptions.

The actual lives of assets, specifically buildings, can vary significantly due to external environmental factors and dilapidation, as well as the effect regular maintenance.

Estimating fair value of property

The group opts to revalue property such that the value of property in the accounts adequately reflects the current market value at the date of valuation.

This requires some element of judgement as the directors have to estimate what they consider to be a fair market value. This is based on current market valuations of similar properties, and where applicable, they obtain advice from qualified professionals to support their estimates.

3 Turnover and other revenue

All of the group's turnover is derived from the principal activity of the group and relates to sales made in the United Kingdom.

	2021
	£
Turnover analysed by class of business	
Turnover	5,787,586
	=====
	2021
	£
Other significant revenue	
Grants received	389,746
	=====

All Turnover relates to UK sales.

4 Operating loss

	2021
	£
Operating loss for the period is stated after charging/(crediting):	
Government grants	(389,746)
Depreciation of owned tangible fixed assets	63,029
Amortisation of intangible assets	7,783
Operating lease charges	333,237
	=====

BLOOMCARE GROUP LTD**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**
FOR THE PERIOD ENDED 31 JULY 2021**5 Auditor's remuneration**

	2021
	£
Fees payable to the company's auditor:	
For audit services	
Audit of the financial statements of the group and company	3,600
Audit of the financial statements of the company's subsidiaries	31,800
	<u>35,400</u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the period was:

	Group 2021 Number	Company 2021 Number
Directors and management	5	2
Care staff	845	-
	<u>850</u>	<u>2</u>

Their aggregate remuneration comprised:

	Group 2021 £	Company 2021 £
Wages and salaries	3,775,559	140,631
Social security costs	213,879	17,455
Pension costs	72,002	22,690
	<u>4,061,440</u>	<u>180,776</u>

7 Directors' remuneration

	2021 £
Remuneration for qualifying services	4,080
Company pension contributions to defined contribution schemes	20,000
	<u>24,080</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2.

BLOOMCARE GROUP LTD**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**
FOR THE PERIOD ENDED 31 JULY 2021**8 Interest payable and similar expenses**

	2021
	£
Interest on bank overdrafts and loans	36,209
Other interest	638
	<hr/>
Total finance costs	36,847
	<hr/> <hr/>

9 Taxation

	2021
	£
Current tax	
UK corporation tax on profits for the current period	(48,948)
	<hr/>
Deferred tax	
Origination and reversal of timing differences	31,546
Changes in tax rates	98,857
	<hr/>
Total deferred tax	130,403
	<hr/> <hr/>
 Total tax charge	 81,455
	<hr/> <hr/>

The actual charge for the period can be reconciled to the expected credit for the period based on the profit or loss and the standard rate of tax as follows:

	2021
	£
Loss before taxation	(202,970)
	<hr/>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00%	(38,564)
Tax effect of expenses that are not deductible in determining taxable profit	16,845
Effect of change in corporation tax rate	98,857
Permanent capital allowances in excess of depreciation	(10,540)
Depreciation on assets not qualifying for tax allowances	13,378
Amortisation on assets not qualifying for tax allowances	1,479
	<hr/>
Taxation charge	81,455
	<hr/> <hr/>

Factors affecting future tax and charges

In March 2021 the Chancellor confirmed, in the budget, an increase in the corporation tax rate from 19% to 25%. The Finance Bill 2021 had its third reading on 24 May 2021 and is now considered substantively enacted. The timing differences expected to reverse on or after 1 April 2023 have been accounted for at 25%.

BLOOMCARE GROUP LTD**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 JULY 2021****10 Intangible fixed assets**

Group	Goodwill £
Cost	
At 14 July 2020	-
Additions - business combinations	155,665
	<hr/>
At 31 July 2021	155,665
	<hr/>
Amortisation and impairment	
At 14 July 2020	-
Amortisation charged for the period	7,783
	<hr/>
At 31 July 2021	7,783
	<hr/>
Carrying amount	
At 31 July 2021	147,882
	<hr/> <hr/>

The company had no intangible fixed assets at 31 July 2021.

BLOOMCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2021

11 Tangible fixed assets

Group	Freehold buildings	Leasehold buildings	Plant and fixtures, equipment and fittings	Office equipment	Motor vehicles	Total
Cost or valuation	£	£	£	£	£	£
At 14 July 2020	-	-	-	-	-	-
Additions	5,452,410	77,915	41,493	730,260	83,626	6,392,952
At 31 July 2021	5,452,410	77,915	41,493	730,260	83,626	6,392,952
Depreciation and impairment						
At 14 July 2020	-	-	-	-	-	-
Depreciation charged in the period	13,572	781	2,515	40,570	5,138	63,029
At 31 July 2021	13,572	781	2,515	40,570	5,138	63,029
Carrying amount						
At 31 July 2021	5,438,838	77,134	38,978	689,690	78,488	6,329,923

BLOOMCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2021

Company	Fixtures, fittings and equipment	Office equipment	Total
	£	£	£
Cost			
At 14 July 2020	-	-	-
Additions	27,403	21,940	49,343
At 31 July 2021	27,403	21,940	49,343
Depreciation and impairment			
At 14 July 2020	-	-	-
Depreciation charged in the period	2,101	1,262	3,363
At 31 July 2021	2,101	1,262	3,363
Carrying amount			
At 31 July 2021	25,302	20,678	45,980

12 Fixed asset investments

	Notes	Group 2021 £	Company 2021 £
Investments in subsidiaries	13	-	3,710,979

Movements in fixed asset investments Company

	Shares in subsidiaries £
Cost or valuation	
At 14 July 2020	-
Additions	3,710,979
At 31 July 2021	3,710,979
Carrying amount	
At 31 July 2021	3,710,979

13 Subsidiaries

Details of the company's subsidiaries at 31 July 2021 are as follows:

BLOOMCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2021

13 Subsidiaries

(Continued)

Name of undertaking	Address	Class of shares held	% Held	
			Direct	Indirect
Wellington Healthcare (Arden) Ltd	1	Ordinary	100.00	-
Wellington Healthcare Limited	1	Ordinary	100.00	-
Northwest Lighthouse Hub C.I.C.	1	Ordinary	100.00	-
Ramos Healthcare Limited	1	Ordinary	70.00	-
Laburnum House (Shaw) Limited	1	Ordinary	0	70.00

Registered office addresses (all UK unless otherwise indicated):

1 34 Scarisbrick New Road, Southport, PR8 6QE

Wellington Healthcare Limited (company registration number 06377726) has taken the exemption in Section 479A of the Companies Act 2006 ("the Act") from the requirements in the Act for their individual accounts to be audited. The guarantee given by the company under Section 479A of the Act is disclosed in Note 20.

14 Debtors

	Group 2021	Company 2021
	£	£
Amounts falling due within one year:		
Trade debtors	1,844,407	-
Corporation tax recoverable	19,979	-
Amounts owed by group undertakings	-	2,538,013
Other debtors	6,923,032	6,380,950
Prepayments and accrued income	734,967	437,612
	<u>9,522,385</u>	<u>9,356,575</u>

15 Creditors: amounts falling due within one year

	Notes	Group 2021	Company 2021
		£	£
Bank loans and overdrafts	17	226,563	224,832
Trade creditors		499,570	-
Amounts owed to group undertakings		-	163,566
Corporation tax payable		255,166	55,897
Other taxation and social security		234,377	-
Other creditors		692,947	-
Accruals and deferred income		1,291,026	10,450
		<u>3,199,649</u>	<u>454,745</u>

BLOOMCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2021

16 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	Company 2021 £
Bank loans and overdrafts	17	9,075,168	9,075,168

17 Loans and overdrafts

	Group 2021 £	Company 2021 £
Bank loans	9,300,000	9,300,000
Bank overdrafts	1,731	-
	<u>9,301,731</u>	<u>9,300,000</u>
Payable within one year	226,563	224,832
Payable after one year	<u>9,075,168</u>	<u>9,075,168</u>

The loans are secured by fixed charges over the properties owned by the group and related companies, and the shares in the group companies and related companies owned by the shareholders of the group and related companies.

The loans are repayable in instalments within 5 years at an average interest rate of 5.64%

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2021 £
Group	
Accelerated capital allowances	61,493
Revaluations	337,151
Short term timing differences	(5,074)
	<u>393,570</u>
	<u>393,570</u>
	Liabilities 2021 £
Company	
Accelerated capital allowances	981
	<u>981</u>

BLOOMCARE GROUP LTD**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 JULY 2021****18 Deferred taxation (Continued)**

	Group 2021 £	Company 2021 £
Movements in the period:		
Asset at 14 July 2020	-	-
Charge to profit or loss	31,546	746
Effect of change in tax rate - profit or loss	98,857	235
Other	263,167	-
	<u>393,570</u>	<u>981</u>
Liability at 31 July 2021	<u>393,570</u>	<u>981</u>

The company has not finalised its capital expenditure programme for the next financial year and therefore an assessment as to the likely movement of timing differences cannot reasonably be made.

19 Retirement benefit schemes

	2021 £
Defined contribution schemes	
Charge to profit or loss in respect of defined contribution schemes	72,002
	<u>72,002</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

20 Contingent liability

In order for the company's subsidiary, Wellington Healthcare Limited, to take the audit exemption in Section 479A of the Companies Act 2006, the company has guaranteed all outstanding liabilities of Wellington Healthcare Limited at 31 July 2021 until those liabilities are satisfied in full.

21 Share capital

	2021 Number	2021 £
Ordinary share capital		
Issued and fully paid		
Ordinary shares of £1 each	244	244
	<u>244</u>	<u>244</u>

BLOOMCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2021

22 Acquisition of a business

On 30 April 2021 the group acquired 100% of the issued capital of Wellington Healthcare (Arden) Ltd, 100% of the issued capital of Wellington Healthcare Limited, 100% of the issued capital of Northwest Lighthouse Hub C.I.C. and 70% of the issued capital of Ramos Healthcare Limited and its wholly owned subsidiary Laburnum House (Shaw) Limited.

	Book Value £	Adjustments £	Fair Value £
Net assets acquired			
Property, plant and equipment	5,933,453	-	5,933,453
Trade and other receivables	2,793,264	-	2,793,264
Cash and cash equivalents	944,615	-	944,615
Trade and other payables	(4,486,359)	-	(4,486,359)
Tax liabilities	(417,754)	-	(417,754)
Deferred tax	(263,167)	-	(263,167)
	<u>4,504,052</u>	<u>-</u>	<u>4,504,052</u>
Total identifiable net assets			
			(948,738)
Non-controlling interests			155,665
Goodwill			<u>3,710,979</u>
Total consideration			<u>3,710,979</u>
The consideration was satisfied by:			£
Cash			100
Issue of shares			242
Creation of merger reserve			3,710,637
			<u>3,710,979</u>
Contribution by the acquired businesses for the reporting period included in the group statement of comprehensive income since acquisition:			£
Turnover			5,787,586
Loss after tax			<u>(13,404)</u>

BLOOMCARE GROUP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2021

23 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	Company 2021 £
Within one year	1,332,910	-
Between two and five years	4,825,284	-
In over five years	13,988,000	-
	<u>20,146,194</u>	<u>-</u>

24 Events after the reporting date

On 11 February 2022, the group incorporated a new subsidiary, Bloomcare Greengables Ltd.

The company exchanged contracts to acquire the operations at Greengables, a residential care home, in March 2022 and expect to complete by June 2022.

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £
Aggregate compensation	<u>162,064</u>

Transactions with related parties

During the period the group entered into the following transactions with related parties:

	Management charges received 2021 £	Interest received 2021 £
Group		
Other related parties	<u>12,000</u>	<u>94,275</u>
Company		
Entities over which the entity has control, joint control or significant influence	60,000	37,363
Other related parties	<u>12,000</u>	<u>94,275</u>

BLOOMCARE GROUP LTD**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 JULY 2021****25 Related party transactions****(Continued)**

During the period, the group paid rent of £351,000 to other related parties.

Amounts due from related parties**2021
Balance
£****Group**

Key management personnel

533,463

Other related parties

6,032,226

Company

Entities over which the company has control, joint control or significant influence

2,538,013

Key management personnel

171,990

Other related parties

5,989,910

26 Directors' transactions

Description	% Rate	Amounts acquired £	Amounts advanced £	Closing balance £
Advance	-	131,088	119,612	250,700
Advance	-	230,385	52,378	282,763
		361,473	171,990	533,463

The amounts acquired relates to amounts acquired into the group on the date of acquisition of the subsidiaries in the period. Repayments of £300,000 were made against the amounts acquired by 31 January 2022 .

The advances were unsecured and repayable on demand.

BLOOMCARE GROUP LTD**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**
FOR THE PERIOD ENDED 31 JULY 2021**27 Cash absorbed by group operations**

	2021
	£
Loss for the period after tax	(284,425)
Adjustments for:	
Taxation charged	81,455
Finance costs	36,847
Amortisation and impairment of intangible assets	7,783
Depreciation and impairment of tangible fixed assets	63,029
Movements in working capital:	
Increase in debtors	(842,097)
Increase in creditors	829,301
Cash absorbed by operations	(108,107)

28 Analysis of changes in net debt - group

	14 July 2020	Cash flows	31 July 2021
	£	£	£
Cash at bank and in hand	-	1,043,391	1,043,391
Bank overdrafts	-	(1,731)	(1,731)
	-	1,041,660	1,041,660
Borrowings excluding overdrafts	-	(9,300,000)	(9,300,000)
	-	(8,258,340)	(8,258,340)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.