

Conard Care Services Limited

Annual Report and Financial Statements

For the year ended 31 March 2021



Company number NI053656

Conard Care Services Limited

**Annual report and financial statements
for the year ended 31 March 2021**

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Directors

J Thorburn-Muirhead
N Goodban
L Krige

Company Secretary

N Goodban

Registered office

1st Floor Sketrick House
16 Jubilee Road
Newtownards
County Down
BT23 4YH

Independent Auditor

RSM UK Audit LLP
Suite A, 7th Floor
East West Building
2 Tollhouse Hill
Nottingham
NG1 5FS

Conard Care Services Limited

Report of the directors for the year ended 31 March 2021

The directors present their annual report together with the audited financial statements of the Company for the year ended 31 March 2021.

Principal activities and future developments

The principal activity of the Company is the provision of homecare services across Northern Ireland. These services include support to people over sixty-five years of age, as well as young adults and children with a broad range of needs including physical and sensory impairment, mental illness, learning disabilities and a range of other complex health needs. These services are typically delivered in the service users homes and/or administered in extra care scheme environments. No change in these activities is proposed.

Political and charitable donations

The Company made no donations during the year (2020: £nil).

Financial risk management

The Company utilises financial instruments coupled with a focus on best practise to effectively manage the financial risks associated with its underlying business and the financing of those activities. Due to the nature of the Company's business and its asset and liability base, the only financial risks that the directors consider relevant to the Company are price, credit and liquidity risk.

Price risk

Given the nature of the business in which the Company is engaged, it bears minimal risk of price inflation in the absence of any significant purchase obligations other than statutory national living wage increases.

Credit risk

The Company's exposure to credit risk is mitigated through its large customer base, minimal companywide credit exposure on any one customer contract, its focus on long-term customer relationships and active monitoring of the credit status of overdue customer accounts.

Liquidity risk

The Company manages liquidity risk by budgeting and forecasting cash flows in the short to medium term and monitoring working capital positions on a monthly basis. Long-term liquidity is assured through committed funding arrangements to meet foreseeable peak borrowing requirements.

Directors

The following served as directors during the year and up to the date of signing the financial statements:

J Thorburn-Muirhead
N Goodban
L Krige (appointed 17 May 2021)

Directors' indemnities and insurance

The Company has indemnified its directors, by way of directors and officer's liability insurance, against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force at the date of approving the Report of the directors.

Conard Care Services Limited

Report of the Directors for the year ended 31 March 2021 (*continued*)

Going Concern

The Company had net assets of £1,516k at 31 March 2021 (2020; net assets of £1,397k) and net current assets of £1,516k (2020; net current assets £1,397k).

As the Group's cash, and convents is managed on a Group basis, the Directors of C&C Topco Limited have provided a letter of support to the Directors of the Company. The Directors of C&C Topco Limited have reviewed the Group's cash flow forecasts and trading budgets and have formed the view that the Group is operationally and financially robust and will generate sufficient cash to support the Company in its ongoing requirements for at least the next 12 months from the date of approval of these financial statements.

Despite the impact of Covid-19, which has been considered in the Group's modelling, the Group's cash flow forecasts continue to indicate strong cash generation which will be more than sufficient to meet all liabilities as they fall due. Those forecasts have been revisited regularly in FY21 and have been heavily sensitised to consider a number of potential scenarios which are more adverse than those experienced to date. These scenarios include further and more considerable volume reductions, further increased PPE costs, greater staff sickness levels and reduced financial support from local and central government.

On the basis of the above and the letter of support provided by C&C Topco Limited, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in the preparation of these financial statements.

Employment involvement

Employee involvement is fundamental to the Company's success. Regular meetings are held between management and employees across all levels of the organisation. Regular Company communications provide employees with relevant information, training and support.

Disabled employees

The Company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retaining of employees who become disabled whilst employed by the Company. Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the Company.

Environmental awareness

The Company is committed to ensuring that the environmental consequences of its operations are minimised as far as practicable. As such the Company pursues the following objectives:

- Recycling of waste where possible;
- Conserving of energy and water; and
- Recycling of consumables (paper, card, ink cartridges).

Auditor

RSM UK Audit LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

Conard Care Services Limited

Report of the directors for the year ended 31 March 2021 (*continued*)

Disclosure of information to Auditor

For all the directors at the time this report was approved, the following applies:

- a) so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- b) each director has taken all the steps that they ought to have taken as director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the directors report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

By order of the board



N Goodban
Director

22 October 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONARD CARE SERVICES LIMITED

Opinion

We have audited the financial statements of Conard Care Services Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity 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 company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, and inspecting correspondence with local tax authorities.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to CQC regulations and GDPR. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and substantive testing in relation to revenue recognition and revenue cut-off procedures.

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

Use of our report

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

RSM UK Audit LLP

Richard King (Senior Statutory Auditor)
 For and on behalf of RSM UK Audit LLP, Statutory Auditor
 Chartered Accountants
 Suite A, 7th Floor
 East West Building
 2 Tollhouse Hill
 Nottingham
 NG1 5FS

25 October 2021

Conard Care Services Limited

Statement of comprehensive Income for the year ended 31 March 2021

| | Note | 2021 £'000 | 2020 £'000 |
|--|------|---------------|---------------|
| Turnover | 4 | 2,625 | 2,821 |
| Cost of sales | | (2,245) | (2,406) |
| | | <u>380</u> | <u>415</u> |
| Gross profit | | | |
| Administrative expenses: | | | |
| Depreciation and amortisation | | (2) | (3) |
| Other operating expenses | | (240) | (226) |
| Other operating income | | 32 | - |
| | | <u>170</u> | <u>186</u> |
| Profit on ordinary activities before taxation | 6 | | |
| Taxation | 9 | (51) | (1) |
| | | <u>119</u> | <u>185</u> |
| Profit for the financial year | | | |

Conard Care Services Limited

Balance sheet
at 31 March 2021

| | Note | 2021 £'000 | 2021 £'000 | 2020 £'000 | 2020 £'000 |
|---|------|---------------|---------------|---------------|---------------|
| Fixed assets | | | | | |
| Tangible assets | 10 | | - | | 2 |
| Current assets | | | | | |
| Debtors | 11 | 2,135 | | 1,808 | |
| | | <u>2,135</u> | | <u>1,808</u> | |
| Creditors: amounts falling due within one year | 12 | (619) | | (413) | |
| Net current assets | | | <u>1,516</u> | <u>1,395</u> | |
| Net assets | | | <u>1,516</u> | <u>1,397</u> | |
| Capital and reserves | | | | | |
| Called up share capital | 16 | | 1,516 | 1,397 | |
| Profit and loss account | | | <u>1,516</u> | <u>1,397</u> | |
| Total equity | | | <u>1,516</u> | <u>1,397</u> | |

The financial statements on pages 8 to 19 were approved by the board of Directors and authorised for issue on 22 October 2021, and are signed on its behalf by:



N Goodban
Director

Company number NI053656

Conard Care Services Limited

Statement of changes in equity for the year ended 31 March 2021

| | Called up Share capital £'000 | Profit and loss account £'000 | Total equity £'000 |
|-------------------------------|--|--|--------------------------|
| At 1 April 2019 | - | 1,212 | 1,212 |
| Profit for the financial year | - | 185 | 185 |
| At 31 March 2020 | - | 1,397 | 1,397 |
| Profit for the financial year | - | 119 | 119 |
| At 31 March 2021 | - | 1,516 | 1,516 |

Conard Care Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2021

1 Corporate information

Conard Care Services Limited (the 'Company') operates as providers of domiciliary care services across Northern Ireland.

The Company is a private company limited by shares and is registered and domiciled in Northern Ireland. The address of its registered office is 1st Floor Sketrick House, 16 Jubilee Road, Newtownards, County Down, BT23 4YH.

The principal activities of the company have been disclosed in the director's report.

2 Statement of compliance

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", including the adoption of the amendments issued in December 2017, ("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 £'000.

The financial statements have been prepared under the historical cost convention.

3 Summary of significant accounting policies

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

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are addressed below:

Key sources of estimation uncertainty:

- Determining the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers various factors, including the ageing profile of the debtor and historical experience.

Conard Care Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2021 (*continued*)

3 Summary of significant accounting policies (*continued*)

Exemptions of qualifying entities under FRS 102

FRS 102 allows qualifying entities certain disclosure exemptions, subject to certain conditions, which have been complied with. The Company has taken advantage of the exemptions set out below on the basis that it is a qualifying entity since its results are included in the consolidated financial statements of C&C Topco Limited which are available from Cardinal House, Abbeyfield Court, Abbeyfield Road, Nottingham, England, NG7 2SZ.

- Section 7 – Statement of cashflows;
- Section 11 – Financial instruments (paragraphs 11.39 to 11.48A);
- Section 12 – Other financial instruments (paragraphs 12.26 to 12.29);
- Section 33 – Related party disclosures and key management personnel (paragraph 33.7).

New standards

No new accounting standards, or amendments to accounting standards, that are effective for the year ended 31 March 2021, have had a material impact on the Company.

Going Concern

The Company had net assets of £1,516k at 31 March 2021 (2020; net assets of £1,397k) and net current assets of £1,516k (2020; net current assets £1,397k).

As the Group's cash, and convents is managed on a Group basis, the Directors of C&C Topco Limited have provided a letter of support to the Directors of the Company. The Directors of C&C Topco Limited have reviewed the Group's cash flow forecasts and trading budgets and have formed the view that the Group is operationally and financially robust and will generate sufficient cash to support the Company in its ongoing requirements for at least the next 12 months from the date of approval of these financial statements.

Despite the impact of Covid-19, which has been considered in the Group's modelling, the Group's cash flow forecasts continue to indicate strong cash generation which will be more than sufficient to meet all liabilities as they fall due. Those forecasts have been revisited regularly in FY21 and have been heavily sensitised to consider a number of potential scenarios which are more adverse than those experienced to date. These scenarios include further and more considerable volume reductions, further increased PPE costs, greater staff sickness levels and reduced financial support from local and central government.

On the basis of the above and the letter of support provided by C&C Topco Limited, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in the preparation of these financial statements.

Turnover

Turnover represents the amounts receivable from the provision of domiciliary care services. Turnover is stated net of value added tax and is recognised in the profit and loss account when the service is provided to the customer.

Government Grants

Income from government grants is presented within other operating income. 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. Grants are recognised as income when the associated performance conditions are met.

Conard Care Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2021 (*continued*)

3 Summary of significant accounting policies (*continued*)

Employee benefits

The company provides a range of benefits to employees including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as expenses in the period in which the service is received.

(ii) Pension plans

Amounts charged to the profit and loss account in respect of pension costs represents the contributions payable in the period to auto-enrolment schemes. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments.

(iii) Annual bonus plan

The company operates an annual bonus plan for certain employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that tax attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company's subsidiaries operate and generate taxable income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Conard Care Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2021 (*continued*)

3 Summary of significant accounting policies (*continued*)

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

| | |
|----------------------------------|-----------------------|
| Leasehold improvements | The term of the lease |
| Motor vehicles | 5 years |
| Fixtures, fittings and equipment | 5 years |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Operating leases

Annual rents are charged to the profit or loss account on a straight-line basis over the term of the lease.

Investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provision for onerous leases relates to unoccupied properties held by the Company under operating leases. The provision recognised represents the lease cost of exiting the contract offset by any benefits expected to be received.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Conard Care Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2021 (*continued*)

3 Summary of significant accounting policies (*continued*)

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 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. Financial assets are derecognised when (a) the contractual rights to the cash flow from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Derecognition of financial liabilities

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

Share capital

Ordinary shares are classified as equity.

4 Turnover

| | 2021 £'000 | 2020 £'000 |
|--------------------------------------|---------------|---------------|
| Analysis by class of business | | |
| Domiciliary Care | 2,625 | 2,821 |

Turnover arose entirely in the United Kingdom.

Conard Care Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2021 (continued)

5 Auditor remuneration

During the year the Company obtained the following services from its auditors RSM UK Audit LLP as detailed below:

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Fees payable for the audit of the financial statements | 2 | 1 |

Fees payable for the audit of the financial statements are an allocation of the total audit fee for the Group headed by C&C Topco Limited.

6 Profit on ordinary activities before taxation

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| This is stated after charging: | | |
| Depreciation of tangible fixed assets | 2 | 3 |
| Operating lease costs – land and buildings | 16 | 16 |
| Other operating income – government grants | 32 | - |

Government grants

The profit before taxation is stated after recognising other income in relation to the following government grants:

- £9k (2020: nil) relating to amounts claimed from the Coronavirus Job Retention Scheme for clinically extremely vulnerable employees who were placed on furlough during the year. That grant funding has been entirely offset as a pass through to staff through wage and salary payments.
- £23k (2020: nil) relating to amounts received from the Adult Social Care Infection Control Fund and similar funding initiatives. That funding was utilised to contribute towards incremental Covid-19 costs incurred to put in place measures to reduce the risk of Covid-19 transmission.

7 Staff costs

| | 2021 £'000 | 2020 £'000 |
|-----------------------|---------------|---------------|
| Wages and salaries | 1,916 | 2,056 |
| Social security costs | 114 | 130 |
| Pension costs | 32 | 34 |
| | 2,062 | 2,220 |

The pension cost charge represents contributions payable by the Company for auto-enrolment schemes. Contributions amounting to £nil (2020: £nil) are included in other creditors at the year end.

The average number of employees during the year was as follows:

| | 2021 Number | 2020 Number |
|---|----------------|----------------|
| Branch management and administration | 5 | 8 |
| Care and support workers (full and part-time) | 111 | 103 |
| | 116 | 111 |

Conard Care Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2021 (*continued*)

9 Tax on profit on ordinary activities

(a) The taxation charge is made up as follows:

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Current tax | | |
| UK corporation tax at 19% (2020: 19%) | 32 | - |
| Adjustments to previous periods | 19 | - |
| | <hr/> | <hr/> |
| Total current tax | 51 | - |
| | <hr/> | <hr/> |
| Deferred tax | | |
| Origination and reversal of timing differences | - | 1 |
| | <hr/> | <hr/> |
| Total deferred tax | - | 1 |
| | <hr/> | <hr/> |
| Tax on profit on ordinary activities | 51 | 1 |
| | <hr/> | <hr/> |

(b) Factors affecting the tax for the year:

The tax assessed for the year is higher (2020: lower) than the standard rate of corporation tax in the UK applied to profit on ordinary activities before taxation. The differences are explained below:

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Profit on ordinary activities before taxation | 170 | 186 |
| | <hr/> | <hr/> |
| Profit on ordinary activities before taxation at the standard rate of corporation tax in the UK of 19% (2020: 19%) | 32 | 35 |
| Effects of: | | |
| Other differences leading to increase taxation | - | 1 |
| Group relief | - | (35) |
| Adjustments to tax charge in respect of previous periods | 19 | - |
| | <hr/> | <hr/> |
| Total tax charge for the year | 51 | 1 |
| | <hr/> | <hr/> |

(c) Factors affecting the tax for the year:

In the Budget on 3 March 2021, the Chancellor announced that the standard rate of UK Corporation Tax will increase to 25% from 1 April 2023. The deferred tax assets and liabilities at the balance sheet date are calculated at the substantively enacted rate of 19%.

Conard Care Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2021 (*continued*)

10 Tangible assets

| | Computer equipment £'000 | Fixtures, fittings and equipment £'000 | Total £'000 |
|-----------------------------------|--------------------------------|---|----------------|
| Cost | | | |
| At 1 April 2020 and 31 March 2021 | 24 | 11 | 35 |
| Accumulated depreciation | | | |
| At 1 April 2020 | 22 | 11 | 33 |
| Charge for the year | 2 | - | 2 |
| At 31 March 2021 | 24 | 11 | 35 |
| Net book value | | | |
| At 31 March 2021 | - | - | - |
| At 31 March 2020 | 2 | - | 2 |

11 Debtors

| | 2021 £'000 | 2020 £'000 |
|------------------------------------|---------------|---------------|
| Trade debtors | - | 11 |
| Amounts owed by group undertakings | 1,892 | 1,637 |
| Prepayments and accrued income | 120 | 160 |
| Other debtors | 123 | |
| | 2,135 | 1,808 |

All amounts shown under debtors fall due for payment within one year. Amounts owed by group undertakings are unsecured, have no fixed date of repayment and bear no interest.

Conard Care Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2021 (*continued*)

12 Creditors: amounts falling due within one year

| | 2021 £'000 | 2020 £'000 |
|------------------------------------|---------------|---------------|
| Trade creditors | - | 10 |
| Amounts owed to group undertakings | 336 | 286 |
| Accruals and deferred income | 236 | 89 |
| Other creditors | 14 | 6 |
| Taxation and social security | - | 22 |
| Corporation tax | 33 | - |
| | <u>619</u> | <u>413</u> |

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and bear no interest.

13 Called up share capital

| | 2021 £ | 2020 £ |
|--|-----------|-----------|
| <i>Allotted, called up and fully paid:</i> | | |
| 1 ordinary shares of £1 each | <u>1</u> | <u>1</u> |

The holder of ordinary shares is entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company

14 Capital commitments and contingent liabilities

There are no material capital commitments (2020: £nil).

The borrowings of C&C Topco Limited are secured on the assets of the Company and guaranteed by fellow members of the Group. At 31 March 2021, Group borrowings subject to the guarantee amounted to £181.9m (2020: £94.6m).

15 Reserves

Profit and loss account

Cumulative profit and loss net of distributions to owners.

16 Ultimate controlling party

The Company is subsidiary of City and County Healthcare Group Limited, a company incorporated in England and Wales.

The only group in which the results of Conard Care Services Limited are consolidated is that headed by C&C Topco Limited, a company incorporated in England and Wales. Consolidated financial statements are available to the public and may be obtained from its registered office at Cardinal House, Abbeyfield Court, Abbeyfield Road, Nottingham, NG7 2SZ.

At 31 March 2021, the majority of the equity shareholding of C&C Topco Limited were held by Summit Partners Growth Equity Fund X, a series of limited liability partnerships. Accordingly, the directors believe there is no ultimate controlling party.