Registration number: 09836723

MIDWAY CARE GROUP HOLDINGS LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 AUGUST 2020 TO 31 JANUARY 2022

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

MIDWAY CARE GROUP HOLDINGS LIMITED

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MIDWAY CARE GROUP HOLDINGS LIMITED

COMPANY INFORMATION

Directors	N Goodban L G Krige J Thorburn-Muirhead
Company secretary	N Goodban
Registered office	Cardinal House Abbeyfield Court Abbeyfield Road Nottingham NG7 2SZ
Solicitors	Wright Hassell Olympus Avenue Leamington Spa Warwickshire CV34 6BF
Bankers	Barclays Bank PLC Mell Square 19-21 Mill Lane Solihull B91 3AR
Auditors	RSM UK Audit LLP Suite A 7th Floor East West Building 2 Tollhouse Hill Nottingham NG1 5FS

MIDWAY CARE GROUP HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE PERIOD FROM 1 AUGUST 2020 TO 31 JANUARY 2022

The directors present their report and the consolidated financial statements for the period from 1 August 2020 to 31 January 2022. The comparative period is for the year ended 31 July 2020.

The Group 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.

Directors of the company
The directors who held office during the period were as follows:

I G Brown (resigned 4 February 2022)

M J Harrison (resigned 4 February 2022)

L Owen (appointed 1 November 2020 and resigned 4 February 2022)

N R Stanley (resigned 4 February 2022)

The following directors were appointed after the period end:

N Goodban (appointed 4 February 2022)

L G Krige (appointed 7 February 2022)

J Thorburn-Muirhead (appointed 4 February 2022)

Dividends
Dividends paid during the year totalled £254,000 (2020 - £306,000)

Engagement Policy and Employee Engagement Statement
Employee engagement 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.

Going concern
The Group had net assets of £5,109,141 at 31 January 2022 (2021 - £3,569,225) and net current assets of £3,185,841 (2021 - £1,583,311).

As the Group's cash, and covenants 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 Group 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 FY22 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 Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in the preparation of these financial statements.

Disclosure of information to the auditor
Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors
RSM UK Audit LLP have been appointed as auditors during the period and have expressed their willingness to continue in office.

The Company, and 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 a review of the business and its principal risks.

Approved by the Board on 27/01/23 and signed on its behalf by:

Nick Goodban
....
N Goodban
Director

MIDWAY CARE GROUP HOLDINGS LIMITED

STRATEGIC REPORT FOR THE PERIOD FROM 1 AUGUST 2020 TO 31 JANUARY 2022

The directors present their strategic report for the period from 1 August 2020 to 31 January 2022. The comparative period is for the year ended 31 July 2020.

Principal activity
The principal activity of the group is the provision of care services.

Fair review of the business
The results for the period, which are set out in the profit and loss account, show an operating profit before depreciation and amortisation of £2,824,723 (2020 - £1,505,594). The directors consider the performance for the period and the financial position at the period end to be satisfactory.

Key performance indicators
The Group is focused on the quality of its service. The Company also continues to develop revenue growth at a sustainable gross margin, continuing expansion, and increasing its presence across the homecare market segments. The Group considers the number of tenanted and residential clients as its key performance indicator. For the period to January 2022 the average number of clients was 171 (2020: 151).

Impact of Covid-19
Throughout the period there were periods of higher staff absence due to infection rates and the need for self-isolation. Although this presented operational challenges, it did not negatively impact the Group's ability to maintain service given due to the reduction in volume and latent capacity in the care worker staff base. Those increased levels of absence, coupled with the temporary legislative withdrawal of statutory sick pay 'waiting days', resulted in an increase to Statutory Sick Pay costs and increased administrative costs.

At the outset of the pandemic the Group experienced a period of rapidly rising PPE cost coupled with new and enhanced PPE requirements. Supply was restricted as global demand and Government requisitioning of UK supply lines for NHS use disrupted the market. The Group quickly moved to source and procure large quantities of PPE from alternative suppliers. This action meant the supply of PPE did not impact on our ability to maintain safe service in the early stages of the pandemic before supplies were available through government initiatives.

Principal risks and uncertainties
The Covid-19 pandemic realised a number of risks for the Group, which were addressed, in part, through the implementation of various mitigation strategies. The Group is also exposed to non-financial risks such as the loss of major contracts, a significant change in the market dynamic, legislative and regulatory change and the loss of key people, and has taken suitable steps to prevent, reduce or mitigate as appropriate.

As outlined above, the Covid-19 pandemic resulted in volume loss driven by difficulties to recruit, delays in new packages, costs of agency and statutory sick pay. Although support was made available to the sector through local and central government, these required increases in resource as were complicated to administer.

Workforce motivation, fatigue and stress has also been of specific concern to the Group during the Covid-19 pandemic. A significant programme of additional communication and support has been established, keeping staff up-to-date with policy and guideline changes and by providing additional training. The Group strives to support staff motivation through many initiatives such as recognition programmes and sharing of positive news stories.

The requirement for compulsory Covid vaccination caused real disquiet and angst across the workforce, and incentives were put in place with a special 'bonus' being paid on proof of vaccination. Unfortunately, some care workers resigned before the legislated requirement was withdrawn, placing further pressure on rosters. Funding from the Infection Control and Workforce Retention grants was used to support sickness, retention bonuses and extra shift payments, in recognition of the pressure the care workers have faced.

Brexit - the biggest perceived risk was around changes to labour supply, specifically the availability and utilisation of European workers by other industries/competitors, potentially creating greater competition for our mainly UK-based care workers. As we recover from Covid, the national shortage of workers has definitely been impacted by Brexit.

The risk associated with the loss of major contracts is mitigated by virtue of a strong pipeline of new business opportunities to replace any contract losses. Additionally, the absence of undue reliance on any single contract which could potentially impact the overall performance of the Group, as well as the number of long-term and rolling contracts. The Group remains confident of retaining a very high proportion of existing business due for retender in the next 12 months and retender statistics over the last 5 years support that view.

Central government funding policy for social care is important to the Group. Whilst funding pressures continue to impact the sector the Group maintains strong pricing discipline through tender and retender activity thereby maintaining a financially viable portfolio. The Group also annually renegotiates prices with its customers to offset National Living Wage and other inflationary factors. Central and local government budgetary policy changes over the last 36-48 months have also steadily become more favourable through ring-fenced council tax precept allocations, reallocations from more discretionary areas of public expenditure in favour of social care, and separately allocated funding from the 'Improved Better Care Fund' (iBCF).

A clear political consensus exists to further increase social care funding and this consensus has been given added impetus by the Covid-19 pandemic. The clearly defined statutory obligations introduced by the Care Act 2014 allow limited scope for Local Authorities to exert greater tightening around care eligibility criteria. The Social Care Funding outlook has also strengthened with the government announcing a new Health and Social Care Levy form 1 April 2022, to better fund both the NHS and Social Care.

The Group's customers expect and require high quality services and most of the Group's activities are regulated. The Group has a comprehensive and extensive quality management system. This includes a dedicated quality team which reports separately from the operational ine; quality is reviewed throughout the monthly management reporting cycle, up to Board level; processes and systems are constantly reviewed for updates and improvements; there is a developed incident management system, escalating incidents and issues according to severity; the Group operates a risk-based scoring system to understand where issues may arise and quality metrics are reported through an organisation wide IT system which tracks key quality KPIs by branch.

The Group takes its relationship with its Regulators extremely seriously in all areas in which it operates and seeks to maintain a responsible and responsive relationship with each regulator. The Group invests heavily in its Quality governance resources and is investing in new technology solutions which will further facilitate care quality assurance.

One of the Group's priorities remains to recruit, train and retain an appropriate number of carers and branch staff. At the same time this is also an area of competitive opportunity for the Group. The Group is an attractive employer within the sector, offering better career prospects than most other operators. The Group is also committed to paying competitive wages and supporting Local Authorities to maximise sector remuneration above National Living Wage where Local Authority charge rates allow. It has a robust recruitment and training process and is investing in initiatives to improve staff attraction and retention. This is an important area of continuous monitoring and improvement. The Group believes it has excellent training programmes and continues to invest for further development.

Future strategy

Financial year 2023 will be a year of delivery - integrating acquired operations, completing key capex programmes including Model Branch, which will get all branches onto the same operating model and key recruitment focussed projects to support volume recovery and growth. Economic pressures of cost inflation and fuel prices are impacting the workforce, with fuel top-ups, employee savings platform put in place as support. A procurement program for utilities and consumables is underway to contain and reduce costs. The Company remains focused on maintaining a high-quality service, delivered through a valued and dedicated care worker workforce. Continued tender success, supported by the continued preference for at-home delivery will deliver new organic opportunities for the Company. Further acquisition opportunities that complement the directors' objectives for the Company will be considered as and when they arise to enhance the growth potential in the business.

Financial instruments

Objectives and policies

The board constantly monitors the group's trading results and revise the projections as appropriate to ensure that the group can meet its future obligations as they fall due.

Price risk, credit risk, liquidity risk and cash flow risk

The group is exposed to the usual credit and cash flow risks associated with dealing on credit and manages this through credit control procedures. Credit risk in respect of bank balances is safeguarded by using banks with high credit ratings.

Approved by the Board on 27/01/23 and signed on its behalf by:

Nick Goodban

N Goodban
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

MIDWAY CARE GROUP HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIDWAY CARE GROUP HOLDINGS LIMITED

Opinion

We have audited the financial statements of Midway Care Group Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period from 1 August 2020 to 31 January 2022, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 January 2022 and of the group's profit 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 original financial statements were authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIDWAY CARE GROUP HOLDINGS LIMITED

Opinion on other matter prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIDWAY CARE GROUP HOLDINGS LIMITED

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 group audit engagement team:

• obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are 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, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

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 law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and revenue recognition as the area 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, challenging judgments and substantive testing in relation to revenue recognition and revenue cut-off procedures.

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

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

Richard King
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Richard King (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor

Suite A
7th Floor
East West Building
2 Tollhouse Hill
Nottingham
NG1 5FS

Date: 27/01/23

MIDWAY CARE GROUP HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1 AUGUST 2020 TO 31 JANUARY 2022

	Note	1 August 2020 to 31 January 2022 £	Year ended 31 July 2020 £
Turnover		29,534,732	17,190,870
Cost of sales		(20,969,175)	(12,147,221)
Gross profit		8,565,557	5,043,649
Administrative expenses		(5,745,683)	(3,539,784)
Other operating income		4,849	2,089
Operating profit before depreciation and amortisation		2,824,723	1,505,954
Depreciation and amortisation		(646,663)	(435,754)
Group operating profit	5	2,178,060	1,070,200
Interest payable and similar charges	6	(128,327)	(119,011)
Profit before tax		2,049,733	951,189
Taxation	10	(255,817)	(190,496)
Profit for the financial period		1,793,916	760,693
Profit attributable to:			
Owners of the company		1,793,916	744,879
Minority interests		-	15,814
		1,793,916	760,693

The above results were derived from continuing operations.

The group has no other comprehensive income for the period.

MIDWAY CARE GROUP HOLDINGS LIMITED

(REGISTRATION NUMBER: 09836723)
CONSOLIDATED BALANCE SHEET AS AT 31 JANUARY 2022

	Note	2022 £	2020 £
Fixed assets			
Intangible assets	11	1,625,281	2,013,918
Tangible assets	12	394,969	473,740
		2,020,250	2,487,658
Current assets			
Debtors: Amounts falling due within one year	14	6,480,130	3,456,608
Cash at bank and in hand		618,692	1,382,976
		7,098,822	4,839,584
Creditors: Amounts falling due within one year	15	(3,912,982)	(3,256,273)
Net current assets		3,185,840	1,583,311
Total assets less current liabilities		5,206,090	4,070,969
Creditors: Amounts falling due after more than one year	15	(96,949)	(501,744)
Net assets		5,109,141	3,569,225
Capital and reserves			
Called up share capital	18	1	1
Share premium reserve		3,184,999	3,184,999
Profit and loss account		1,924,141	384,225
Equity attributable to owners of the company		5,109,141	3,569,225
Total equity		5,109,141	3,569,225

Approved and authorised by the Board on 27/01/23 and signed on its behalf by:

Nick Goodban
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N Goodban
Director

The notes on pages 17 to 31 form an integral part of these financial statements.

MIDWAY CARE GROUP HOLDINGS LIMITED

(REGISTRATION NUMBER: 09836723)
BALANCE SHEET AS AT 31 JANUARY 2022

	Note	2022 £	2020 £
Fixed assets			
Investments	13	5,011,749	6,008,416
Current assets			
Debtors: Amounts falling due within one year	14	-	400,000
Cash at bank and in hand		1	1
		1	400,001
Creditors: Amounts falling due within one year	15	-	(422,500)
Net current assets/(liabilities)		1	(22,499)
Total assets less current liabilities		5,011,750	5,985,917
Creditors: Amounts falling due after more than one year	15	(3,190,686)	(2,783,118)
Net assets		1,821,064	3,202,799
Capital and reserves			
Called up share capital	18	1	1
Share premium reserve		3,184,999	3,184,999
Profit and loss account		(1,363,936)	17,799
Total equity		1,821,064	3,202,799

The company made a loss after tax for the financial period of £1,127,735 (2020 - profit of £315,883).

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts.

Approved and authorised by the Board on 27/01/23 and signed on its behalf by:

Nick Goodban

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N Goodban
Director

The notes on pages 17 to 31 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 1 AUGUST 2020 TO 31 JANUARY 2022
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY

	Share capital £	Share premium £	Profit and loss account £	Total £	Non-controlling interests £	Total equity £
At 1 August 2020	1	3,184,999	384,225	3,569,225	-	3,569,225
Profit for the period	-	-	1,793,916	1,793,916	-	1,793,916
Dividends	-	-	(254,000)	(254,000)	-	(254,000)
At 31 January 2022	1	3,184,999	1,924,141	5,109,141	-	5,109,141

	Share capital £	Share premium £	Profit and loss account £	Total £	Non-controlling interests £	Total equity £
At 1 August 2019	1	2,999,999	1,617	3,001,617	112,915	3,114,532
Profit for the year	-	-	744,879	744,879	15,814	760,693
Dividends	-	-	(306,000)	(306,000)	-	(306,000)
New share capital subscribed	-	185,000	-	185,000	-	185,000
Increase in ownership interests in subsidiaries	-	-	128,729	128,729	(128,729)	-
Acquisition of non-controlling interest	-	-	(185,000)	(185,000)	-	(185,000)
At 31 July 2020	1	3,184,999	384,225	3,569,225	-	3,569,225

The notes on pages 17 to 31 form an integral part of these financial statements.

MIDWAY CARE GROUP HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 1 AUGUST 2020 TO 31 JANUARY 2022

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 August 2020	1	3,184,999	17,799	3,202,799
Loss for the period	-	-	(1,127,735)	(1,127,735)
Dividends	-	-	(254,000)	(254,000)
At 31 January 2022	1	3,184,999	(1,363,936)	1,821,064

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 August 2019	1	2,999,999	7,916	3,007,916
Profit for the period	-	-	315,883	315,883
Dividends	-	-	(306,000)	(306,000)
New share capital subscribed	-	185,000	-	185,000
At 31 July 2020	1	3,184,999	17,799	3,202,799

MIDWAY CARE GROUP HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 1 AUGUST 2020 TO 31 JANUARY 2022

	Note	1 August 2020 to 31 January 2022 £	Year ended 31 July 2020 £
Cash flows from operating activities			
Profit for the period		1,793,916	760,693
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	654,620	436,159
Profit on disposal of tangible assets		(7,957)	(405)
Finance costs	6	128,327	119,011
Corporation tax expense	10	255,817	190,496
		2,824,723	1,505,954
Working capital adjustments			
(Increase)/decrease in trade debtors	14	(2,917,344)	305,749
Increase/(decrease) in trade creditors	15	1,168,182	(65,037)
Cash generated from operations		1,075,561	1,746,666
Income taxes paid	10	(139,343)	(945,797)
Net cash flow from operating activities		936,218	800,869
Cash flows from investing activities			
Acquisitions of tangible assets		(221,386)	(63,866)
Acquisition of subsidiaries (deferred consideration paid)		(622,500)	(515,000)
Proceeds from sale of tangible assets		42,131	610
Net cash flows from investing activities		(801,755)	(578,256)
Cash flows from financing activities			
Interest paid		(128,327)	(119,011)
Proceeds from other borrowing draw downs		-	980,000
Repayment of other borrowing		(457,829)	(365,088)
Payments to finance lease creditors		(58,591)	(16,892)
Dividends paid		(254,000)	(306,000)
Net cash flows from financing activities		(898,747)	173,009
Net (decrease)/increase in cash and cash equivalents		(764,284)	395,622
Cash and cash equivalents at 1 August		1,382,976	987,354
Cash and cash equivalents at 31 January		618,692	1,382,976

The notes on pages 17 to 31 form an integral part of these financial statements.

1 General information

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

The address of its registered office is:
Cardinal House
Abbeyfield Court
Abbeyfield Road
Nottingham
NG7 2SZ

2 Accounting policies

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

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

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

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

Departure from requirements of FRS 102
FRS 102 allows qualifying entities certain disclosure exemptions, subject to certain conditions, which have been complied with. The company has not presented a cash flow statement on the grounds that the company's cash flows are included in the financial statements of the group.

The Company has taken advantage of the exemptions set out below on the basis that it is a qualifying entity.

Basis of consolidation
The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 4 February 2022 although the accounting reference date is 31st January 2022.

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

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

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

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

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

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

Investments in joint ventures are stated at the amount of the group's share of net assets. The profit and loss account includes the group's share of the joint venture companies' profits after taxations using the equity accounting basis.

Disclosure of long or short period
The financial statements cover a period of 549 days. The accounting period has been lengthened to bring the year end in line with the rest of the Midway group.

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

Judgements and estimation uncertainty
These financial statements do not contain any significant judgements or estimation uncertainty.

Revenue recognition
Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company. The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities.

Exceptional items
The Group classifies certain items, that are non-routine, one-off, or otherwise not part of the underlying trade, that have a material impact, by amount or nature, on the Group's financial results as "exceptional items". These are disclosed separately to provide further understanding of the financial performance of the Group.

Tax
The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets
Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation
Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	20% straight line
Fixtures and fittings	20% - 25% straight line
Motor vehicles	20% - 25% straight line
Office equipment	20% - 25% straight line

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

Intangible assets
Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

Amortisation
Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10 years straight line

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

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

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

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

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

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

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

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

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

Leases
Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital
Ordinary shares are classified as equity.

Dividends
Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation
A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Share premium
Consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss reserves
Cumulative profit and loss net of distributions to owners.

Financial instruments

Classification
Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement
All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment
Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3 Revenue

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

4 Exceptional items

	1 August 2020 to 31 January 2022 £	Year ended 31 July 2020 £
Exceptional costs	332,415	5,892

Exceptional costs for the current year consists of one-off professional fees.

Exceptional costs for the prior year included a release of a related party balance, void costs, staff settlement costs, debt recovery costs and stamp duty.

5 Operating profit

Arrived at after charging

	1 August 2020 to 31 January 2022 £	Year ended 31 July 2020 £
Depreciation expense	265,983	157,068
Amortisation expense	388,637	279,091
Operating lease expense - property	2,090,005	1,395,274
Operating lease expense - plant and machinery	1,200	1,698

6 Interest payable and similar expenses

	2022 £	2020 £
Interest on bank overdrafts and borrowings	128,327	119,011

7 Staff costs

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

	1 August 2020 to 31 January 2022 £	Year ended 31 July 2020 £
Wages and salaries	19,033,281	11,258,016
Social security costs	1,556,270	910,202
Pension costs, defined contribution scheme	339,754	193,657
	20,929,305	12,361,875

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

	1 August 2020 to 31 January 2022 No.	Year ended 31 July 2020 No.
Care workers	664	542
Administration and support	32	26
	696	568

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

8 Directors' remuneration

The directors' remuneration for the period was as follows:

	2022 £	2020 £
Remuneration	466,969	292,651
Contributions paid to money purchase schemes	13,305	2,630
	480,274	295,281

During the period the number of directors who were receiving benefits and share incentives was as follows:

	2022 No.	2020 No.
Accruing benefits under money purchase pension scheme	4	2

In respect of the highest paid director:

	2022 £	2020 £
Remuneration	175,442	161,987
Company contributions to money purchase pension schemes	4,725	1,315

9 Auditors' remuneration

	2022 £	2020 £
Audit of these financial statements	65,000	18,300
Other fees to auditors		
All other non-audit services	-	13,550

10 Taxation

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

	1 August 2020 to 31 January 2022 £	Year ended 31 July 2020 £
Current taxation		
UK corporation tax	451,057	228,405
UK corporation tax adjustment to prior periods	(89,062)	(15,965)
	361,995	212,440
Deferred taxation		
Arising from origination and reversal of timing differences	(106,178)	(21,944)
Tax expense in the income statement	255,817	190,496

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2022 £	2020 £
Profit before tax	2,049,733	951,189
Corporation tax at standard rate	389,449	180,726
Effect of expense not deductible in determining taxable profit (tax loss)	64,421	1,480
Decrease in UK and foreign current tax from adjustment for prior periods	(89,062)	(15,965)
Tax (decrease)/increase from effect of capital allowances and depreciation	(108,991)	24,255
Total tax charge	255,817	190,496

Deferred tax

Group
Deferred tax assets and liabilities

2022	**Asset £**
Fixed asset timing differences	121,931

2020	**Asset £**
Fixed asset timing differences	15,753

11 Intangible assets

Group

	Goodwill £
Cost	
At 1 August 2020 and at 31 January 2022	2,590,911
Amortisation	
At 1 August 2020	576,993
Amortisation charge for the period	388,637
At 31 January 2022	965,630
Carrying amount	
At 31 January 2022	1,625,281
At 31 July 2020	2,013,918

12 Tangible assets

Group

	Leasehold improvements £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 August 2020	488,370	216,255	163,973	868,598
Additions	136,501	74,485	10,400	221,386
Disposals	-	-	(105,109)	(105,109)
At 31 January 2022	624,871	290,740	69,264	984,875
Depreciation				
At 1 August 2020	169,886	137,974	86,998	394,858
Charge for the period	176,470	52,358	37,155	265,983
Eliminated on disposal	-	-	(70,935)	(70,935)
At 31 January 2022	346,356	190,332	53,218	589,906
Carrying amount				
At 31 January 2022	278,515	100,408	16,046	394,969
At 31 July 2020	318,484	78,281	76,975	473,740

Leased assets
Included within the net book value of tangible fixed assets is £4,473 (2020 - £57,965) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the period on these assets was £2,400 (2020 - £17,615).

13 Investments

Company

	2022	2020
	£	£
Investments in subsidiaries	5,011,749	6,008,416

Subsidiaries

	£
Cost	
At 1 August 2020 and as at 31 January 2022	6,008,416
Provisions	
Provision in the year and at 31 January 2022	996,667
Carrying amount	
At 31 January 2022	5,011,749
At 31 July 2020	6,008,416

Details of undertakings

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

Undertaking	Principal activity	Holding	Proportion of voting rights and shares held 2022	2020
Subsidiary undertakings				
Midway Care Group Limited	Holding company	Ordinary	100%	100%
Midway Care Ltd *	Provision of care	Ordinary	100%	100%
Midway Support Services Limited *	Provision of care	Ordinary	100%	100%
Pharos Care Limited *	Provision of care	Ordinary	100%	100%
Pharos Support Limited *	Provision of care	Ordinary	100%	100%
Midway Care Group Contracts Limited **	Provision of care	Ordinary	100%	100%
Midway Warwickshire Care Limited **	Dormant	Ordinary	100%	100%
Midway Care (West Midlands) Limited **	Dormant	Ordinary	100%	100%
Midcroft Care Limited	Dormant	Ordinary	100%	100%
Livewell (Holdings) Ltd	Holding company	Ordinary	100%	100%
Livewell (Care & Support) Ltd ***	Provision of care	Ordinary	100%	100%

All investments are registered at Cardinal House Abbeyfield Court, Abbeyfield Road, Nottingham, NG7 2SZ.

* - The shares in these investments are held via Midway Care Group Limited.
** - The shares in these investments are held via Midway Care Limited.
*** - The shares in these investment is held in Livewell (Holdings) Limited.

All subsidiaries are exempt from audit by virtue of S479A of Companies Act 2006 as Midway Care Group Holdings Limited provide the required guarantee.

14 Debtors

	Note	Group 2022 £	Group 2020 £	Company 2022 £	Company 2020 £
Trade debtors		3,106,020	1,926,772	-	-
Amounts owed by related parties	22	-	-	-	400,000
Other debtors		3,090,924	1,331,590	-	-
Prepayments		161,255	182,493	-	-
Deferred tax assets	10	121,931	15,753	-	-
		6,480,130	3,456,608	-	400,000
Less non-current portion		-	-	-	(400,000)
Total current trade and other debtors		6,480,130	3,456,608	-	-

15 Creditors

	Note	Group 2022 £	Group 2020 £	Company 2022 £	Company 2020 £
Due within one year					
Loans and borrowings	16	389,701	701,327	-	-
Trade creditors		488,024	370,733	-	-
Social security and other taxes		270,920	244,636	-	-
Outstanding defined contribution pension costs		46,084	40,363	-	-
Other creditors		279,163	42,102	-	-
Deferred consideration		-	422,500	-	422,500
Accrued expenses		1,079,239	733,839	-	-
Corporation tax liability	10	451,057	228,405	-	-
Deferred income		908,794	472,368	-	-
		3,912,982	3,256,273	-	422,500
Due after one year					
Loans and borrowings	16	96,949	301,744	-	-
Deferred consideration		-	200,000	-	200,000
Amounts owed to related parties		-	-	3,190,686	2,583,118
		96,949	501,744	3,190,686	2,783,118

16 Loans and borrowings

	Group 2022 £	2020 £
Current loans and borrowings		
Bank borrowings	209,942	518,575
HP and finance lease liabilities	5,957	15,002
Other borrowings	173,802	167,750
	389,701	701,327

	Group 2022 £	2020 £
Non-current loans and borrowings		
Bank borrowings	96,949	252,198
HP and finance lease liabilities	-	49,546
	96,949	301,744

The bank borrowings are made up of several small loans secured over certain assets of the group. The loans are repayable on various monthly repayments schedules and are all repayable within 5 years. The interest rates vary between 6.6% and 14.4%. The obligations under finance leases are secured over the assets purchased.

17 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £339,754 (2020 - £193,657).

Contributions totalling £46,084 (2020 - £40,363) were payable to the scheme at the end of the period and are included in creditors.

18 Share capital

Allotted, called up and fully paid shares

	31 January 2022 No.	£	31 July 2020 No.	£
Ordinary shares of £0.001 each	1,009	1.01	1,009	1.01
A Ordinary shares of £0.001 each	64	0.06	64	0.06
B Ordinary shares of £0.001 each	64	0.06	64	0.06
C Ordinary shares of £0.001 each	64	0.06	64	0.06
D Ordinary shares of £0.001 each	66	0.07	66	0.07
	1,267	1	1,267	1

Rights, preferences and restrictions

The different classes of share referred to above carry separate rights to dividends but, in all other significant respects, rank pari passu.

19 Obligations under leases and hire purchase contracts

Group

Operating leases
The total of future minimum lease payments is as follows:

	2022 £	2020 £
Not later than one year	1,234,445	1,035,060
Later than one year and not later than five years	4,822,538	4,106,188
Later than five years	13,182,545	12,815,733
	19,239,528	17,956,981

20 Analysis of changes in net debt

Group

	At 1 August 2020 £	Financing cash flows £	At 31 January 2022 £
Cash and cash equivalents			
Cash	1,382,976	(764,284)	618,692
Borrowings			
Long term borrowings	(252,198)	155,249	(96,949)
Short term borrowings	(686,325)	302,581	(383,744)
Lease liabilities	(64,548)	58,591	(5,957)
	(1,003,071)	516,421	(486,650)
	379,905	(247,863)	132,042

21 Financial guarantee

Company
Midway Care Group Holdings Limited has given a guarantee under section 479A of the Companies Act 2006 to guarantee all outstanding liabilities of the subsidiary companies as at 31 January 2022. The subsidiary companies are therefore exempt from the requirement of the Act relating to the audit of individual accounts. The subsidiary companies that the guarantee applies to are all companies listed in note13.

22 Related party transactions

Group

During the period, the group made the following related party transactions:

The group has a director's loan account with M J Harrison. During the period, previous loans of £235,380 (2020 - £294,620) were repaid by M J Harrison and additional loans of £782,163 (2020 - £235,380) were made. At the period end, £782,163 (2020 - £235,380) was due from M J Harrison. The loan is interest free and there are no fixed repayment terms.

The group made loans to Sincere Homes Limited, a company in which M J Harrison and I G Brown are directors. At the period end, £836,165 (2020 - £457,549) was due from Sincere Care Limited. The loan is interest free with no fixed repayment terms.

The group made loans to HBP Group Limited, a company in which M J Harrison and I G Brown are the directors and shareholders. At the period end, £834,327 (2020 - £266,453) was due from HBP Group Limited. The loan is interest free with no fixed repayment terms.

During the period, dividends of £254,000 (2020 - £306,000) were paid to the directors and immediate family members.

Summary of transactions with key management

Key management personnel are considered to be the directors of the company and key management personnel compensation is disclosed in note 9 to the financial statements.

23 Parent and ultimate parent undertaking

Up until 4 February 2022 the ultimate controlling party is M J Harrison, a director of the company. Since that date, the immediate parent company is City and County Healthcare Group Limited, incorporated in England and Wales. The ultimate parent is C&C Topco Limited, incorporated in England and Wales. The directors believe there is no ultimate controlling party.

24 Non adjusting events after the financial period

On 4 February 2022 the entire share capital of the group was purchased by City and County Healthcare Group Limited.