

AUTISM CARE (BEDFORD) LIMITED

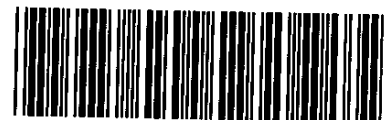
UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 28 FEBRUARY 2023

These unaudited financial statements are submitted for filing accompanied by the audited financial statements of its parent company Lifeways Finance Limited (06295365) in accordance with the audit exemption requirements of Section 479A of the Companies Act 2006.

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AUTISM CARE (BEDFORD) LIMITED

COMPANY INFORMATION

Directors	A Kinkade K Steele M Beadle F Pearce
Registered number	08809155
Registered office	No. 2 The Square Birchwood Boulevard Warrington WA3 7QY United Kingdom
Bankers	HSBC Bank PLC 26 Broad Street Reading Berkshire RG1 2BU United Kingdom
Solicitors	Shoosmiths LLP 100 Avebury Boulevard Milton Keynes MK9 1FH United Kingdom

AUTISM CARE (BEDFORD) LIMITED

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AUTISM CARE (BEDFORD) LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2023

Introduction

The Directors present their report and the unaudited financial statements for the period ended 28 February 2023 for Autism Care (Bedford) Limited ("the Company"). The Company has changed its accounting period end date from 31 August to 28 February. The corresponding prior period was for the year to 31 August 2021.

The Company is a subsidiary of the Vita Topco Limited group of companies ("the Group"), the ultimate controlling parent company.

The Company's principal activity during the period continued to be the provision of residential support in a specially adapted home.

Change in ownership

In February 2023, formal Restructuring Plans under Part 26A of the UK Companies Act were sanctioned and became effective ("the RP"). The details and outcomes, and impact to the accounts of the plans are detailed in Note 1.2 to these Financial Statements. One outcome is a change in the ultimate ownership of the Group to Vita Topco Limited, a Jersey incorporated entity owned by a consortium of investors.

Business review

The table below summarises the key financial and operational performance indicators for 2023 and 2021:

	2023	2021			
	(18 months)	(12 months)	2023 Pro-rated amount	Var 2023 pro- rated amount	
	£	£	£	£	%
Revenue	1,389,673	816,896	926,449	109,553	13.4%
Gross profit	341,050	344,924	227,367	(117,557)	-34.1%
Gross profit percentage	24.5%	42.2%			
Average occupancy	8	6			
Average number of care staff	19	27			

Operating performance and activities

Gross profit in the period was £0.3m (2021: £0.3m), a pro-rated decrease of 34.1% on prior period, due to increased agency staff usage as a result of the challenges created by the sector wide staff shortages. Revenue rose by 13.4% on a pro-rated basis to £1.4m compared with £0.8m in 2021 driven by occupancy growth and annual inflationary fee increase. The growth in revenue driven by annual inflationary fee increases is offset by increases in staff costs due to the increase in National Living Wages rates and additional costs incurred because of the COVID-19 pandemic to keep the people we support and colleagues safe. Government grant income in the period supported payments to isolating and vulnerable employees in line with government guidance, as well as the additional costs incurred; however, overall, the impact of COVID-19 was negative for the business, restricting occupancy growth in the period and restricting further strategic growth opportunities.

Implementation of the RP

During the period, the implementation of the RP had the effect of removing liabilities in relation to onerous leases on discontinued properties, achieving a temporary rent reduction on a small number of above-market rented properties and reducing the Group's debt facilities by approximately £85m (net of new super senior secured facilities). In addition, the RP allowed for the release of significant intercompany loans owed to entities that are no longer part of the Group. Following this, the group rationalised intercompany balances contributing to a notable improvement in the Company's Net Assets of £0.8m compared to the previous period.

AUTISM CARE (BEDFORD) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

Financial risk management and policies

The market sector in which the business operates is subject to a number of risks. The principal areas are:

Covid 19

The Board and Management continue to take steps to manage the recovery from the pandemic, remaining vigilant to the continuing risk that Covid-19 presents to our residents.

Key metrics continue to be closely monitored by the Board and Management.

Liquidity risk

The Group monitors cash on a daily basis and produces regular cashflow forecasts, the objective being to ensure an overall neutral or positive cashflow and to ensure sufficient liquidity is available to meet forecasted needs. The Directors continuously review and monitor the risks the Group faces. It is our goal that any changes in our risk profile are identified early so actions can be taken to manage the Group's exposure at the earliest possible opportunity.

Failure to comply with regulation

The Group operates in a highly regulated business environment and failure to comply with regulation could lead to substantial penalties, including embargo of new resident admissions through to the loss of the registration certificates necessary to continue to trade.

The Group operates stringent quality policies and procedures, together with rigorous internal governance audit and oversight to ensure the safety of our residents. In addition, the Group maintains regular dialogue with regulators to ensure our procedures comply with all regulatory requirements. If there are adverse findings from regulatory inspections, they are followed up promptly and improvements made when necessary.

Shift in government policies

Most of the Group's revenue is derived from the public sector, and as a result the revenues could be vulnerable to a major policy shift away from social care. However, the Board does not consider this to be a major risk as the community care model continues to be recognised as the preferred model for all stakeholders, with strong cross-party support, and has proven its value and effectiveness.

Inflation risk

Future changes in the rate of the National Living Wage ("NLW") will have a significant impact on staff costs for the social care sector and level of recovery through fee increases is uncertain. Failure to recover such costs would have a negative impact on margin. To mitigate, the Group continues to engage positively with the commissioners of our services to ensure they are fully funded.

Litigation risk

The business could be subject to litigation (and prosecution) as a consequence of incidents that can occur as it supports people with challenging and complex behaviours. In addition to robust policies and procedures the business carries insurance cover to mitigate the cost of such claims.

Future developments

The Company's philosophy places the people in our care at the heart of what we do. We recognise that our reputation and success are based upon their happiness and wellbeing and that the quality of care we provide is paramount.

Over the coming years, we anticipate growing demand for high quality care services which meet the needs of those who require support, care managers and families as the population of people requiring support continues to grow.

Events after the balance sheet date

There have been no reportable post balance sheet events.

AUTISM CARE (BEDFORD) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

Dividends

Dividends of £nil (2021: £nil) were paid in the period.

Directors

The Directors who served during the period from 1 September 2021 to the date of this report were as follows:

J Tydeman (resigned 18 August 2022)
C Moher (resigned 26 September 2022)
A Kinkade (appointed 18 August 2022)
F Pearce (appointed 16 August 2022)
M Beadle (appointed 18 August 2022)
K Steele (appointed 23 March 2023)

Political contributions

The Company has made no political donations or incurred any political expenditure during the period (2021: £nil).

Qualifying third party indemnity provisions

During the period the company had in force an indemnity provision in favour of one or more Directors of Autism Care (Bedford) Limited against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006.

Environmental matters

Although the Company's principal activity has minimal environmental impact, the board believes that good environmental practices support the broader strategy of enhancing the reputation of the Group as well as fostering staff and people we support morale.

The Company is committed to minimising carbon and other greenhouse gases emitted from the operations of the business. The Company seeks to encourage energy and waste saving initiatives wherever possible whilst ensuring delivery of the highest quality of care in the communities that we serve.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 21 November 2023 and signed on its behalf.



.....
K Steele
Director

AUTISM CARE (BEDFORD) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 28 FEBRUARY 2023

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

AUTISM CARE (BEDFORD) LIMITED

**INCOME STATEMENT
FOR THE PERIOD ENDED 28 FEBRUARY 2023**

	Note	2023 (18 months) £	2021 (12 months) £
Turnover	3	1,389,673	816,896
Cost of sales		<u>(1,048,623)</u>	<u>(471,972)</u>
Gross profit		341,050	344,924
Administrative expenses		308,799	(551,328)
Other operating income	3	<u>3,122</u>	<u>6,208</u>
Operating profit/(loss)	4	<u>652,971</u>	<u>(200,196)</u>
Interest payable and similar expenses	8	<u>-</u>	<u>(38,952)</u>
Profit/(loss) before taxation		<u>652,971</u>	<u>(239,148)</u>
Tax on profit/(loss)	9	<u>(4,827)</u>	<u>6,540</u>
Profit/(loss) for the financial period		<u>648,144</u>	<u>(232,608)</u>
Attributable to:			
Owners of the Company		<u>648,144</u>	<u>(232,608)</u>

The notes on pages 9 to 23 form part of these financial statements.

AUTISM CARE (BEDFORD) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 28 FEBRUARY 2023

	2023 (18 months)	2021 (12 months)
	£	£
Profit/(loss) for the financial period	648,144	(232,608)
Other comprehensive income		
Release of intercompany loans	109,640	-
Other comprehensive income for the period	109,640	-
Total comprehensive income/(loss) for the period	757,784	(232,608)
Total comprehensive income/(loss) attributable to owners of the Company	757,784	(232,608)

The notes on pages 9 to 23 form part of these financial statements.

AUTISM CARE (BEDFORD) LIMITED
REGISTERED NUMBER: 08809155

STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2023

	Note	2023 £	2021 £
Fixed assets			
Tangible assets	10	121,617	151,274
		<u>121,617</u>	<u>151,274</u>
Current assets			
Debtors falling due within one year	11	19,773	78,186
Cash and cash equivalents	12	11,181	26,663
		<u>30,954</u>	<u>104,849</u>
Creditors falling due within one year	13	(76,967)	(952,158)
Net current liabilities		<u>(46,013)</u>	<u>(847,309)</u>
Total assets less current liabilities		<u>75,604</u>	<u>(696,035)</u>
Provision	15	(19,855)	(6,000)
Net assets/(liabilities)		<u><u>55,749</u></u>	<u><u>(702,035)</u></u>
Capital and reserves			
Called up share capital	16	1	1
Retained earnings		<u>55,748</u>	<u>(702,036)</u>
Equity attributable to the owners of the parent		<u><u>55,749</u></u>	<u><u>(702,035)</u></u>

The Directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

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

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 November 2023.



.....
K Steele
Director

The notes on pages 9 to 23 form part of these financial statements.

AUTISM CARE (BEDFORD) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 FEBRUARY 2023**

	Share capital £	Retained earnings £	Total equity £
Balance at 1 September 2020	1	(469,428)	(469,427)
Loss for the year	-	(232,608)	(232,608)
Balance at 31 August 2021	<u>1</u>	<u>(702,036)</u>	<u>(702,035)</u>
Profit for the period	-	648,144	648,144
Other comprehensive income			
Release of intercompany loans	-	109,640	109,640
Other comprehensive income for the period	<u>-</u>	<u>109,640</u>	<u>109,640</u>
Total comprehensive income for the period	<u>-</u>	<u>757,784</u>	<u>757,784</u>
Balance at 28 February 2023	<u>1</u>	<u>55,748</u>	<u>55,749</u>

The notes on pages 9 to 23 form part of these financial statements.

AUTISM CARE (BEDFORD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2023

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and to the preceding year.

1.1 General information

Autism Care (Bedford) Limited ("the Company") is a private Company limited by shares incorporated in United Kingdom under Companies Act 2006 and is registered in England and Wales. The address of Company's registered office is No. 2 The Square, Birchwood Boulevard, Warrington, United Kingdom, WA3 7QY and the registered number: 08809155. The principal activities of the Company is the provision of high quality care and support services for people in a residential setting.

1.2 Restructuring Plans

In February 2023, formal Restructuring Plans under Part 26A of the UK Companies Act were sanctioned and became effective ("the RP"). The RP was required to implement a Lender Transaction resulting in:

- i) The 100% acquisition of shares in Listrac Bidco Limited (the parent company of Lifeways Finance Limited) by Vita Bidco Limited (a holding company ultimately controlled by the lenders).
- ii) A new shareholders' agreement in respect of the new equity and governance structure for the Group.
- iii) *Amendment and reduction of existing secured debt facilities by approximately £100,000,000.*
- iv) Issuing of new super senior secured money of £15,000,000 to support future investments.

The outcomes of the RP that support the implementation of the Lender Transaction include:

- i) the compromising of onerous leases on discontinued properties releasing the Group from ongoing liability.
- ii) the compromising of a limited number of claims from other unsecured creditors.
- iii) the temporary rent reduction of a small number of properties deemed to be at a rent higher than market.

Within the financial statements, disclosure has been provided in the respective areas to give information on the nature, extent and impact of adjustments processed to reflecting the accounting implications of the RP.

1.3 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The functional currency of Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

AUTISM CARE (BEDFORD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

1. Accounting policies (continued)

1.4 Going concern

Liquidity and cash flows, including debt facilities, are managed across the Vita Topco Group as a whole, with several subsidiaries being obligors under the Bidco Group's Senior Facilities Agreement. In undertaking their going concern assessment, the Directors have reviewed the financial performance and cashflow forecast for the Bidco Group through to September 2024, including liquidity headroom ("the Financial Forecast").

On 24th February 2023, the Bidco Group completed a restructuring of the Senior Facilities Agreement resulting in a restatement of Senior Debt to £88.0 million with a maturity date of 24th February 2027. Additionally on 3rd March 2023, the Vita Topco Group borrowed £15.0 million under a new Super Senior Debt Facility with a maturity date of 3rd September 2026.

The amended Senior Facilities Agreement has been adjusted to replace previous financial covenants with a single minimum liquidity covenant tested monthly from August 2023.

Compared to the previous period, the change in maturity of our facilities and amendment to covenant testing has reduced the level of uncertainty over going concern for the Bidco Group.

The Bidco Group is currently in full compliance with this covenant and, based on the Financial Forecast, the Directors expect that it will continue to be so over the going concern period. The Directors have conducted sensitivity analysis over the Financial Forecast considering the impacts of future occupancy, fee rates and rate of collection on the Bidco Group's ability to maintain full compliance. The conclusion of this analysis is a reasonable expectation that the Bidco Group will maintain full compliance and as a result have adequate resources to continue in operational existence for the foreseeable future. For these reasons, the Directors continue to adopt the going concern basis in preparing the annual financial statements.

1.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

AUTISM CARE (BEDFORD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

1. Accounting policies (continued)

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical 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.

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.

Depreciation is provided on the following basis:

Long term leasehold property	- Straight line over the lease term
Motor vehicles	- 20% straight line
Fixtures and fittings	- 20% straight line
Computer equipment	- 33% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1.7 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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

Financial assets and liabilities

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.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

AUTISM CARE (BEDFORD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

1. Accounting policies (continued)

1.7 Financial instruments (continued)

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

AUTISM CARE (BEDFORD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

1. Accounting policies (continued)

1.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the life of the lease.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard to continue to be charged over the period to the first market rent review rather than the term of the lease.

1.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a charge attributable to an item of income and 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 operates and generates income.

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

- 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

AUTISM CARE (BEDFORD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

1. Accounting policies (continued)

1.11 Unusual or non-recurring items

Unusual or non-recurring items represents items of income and expenditure which individually, or in aggregate, are of exceptional size or incidence, and in the Directors' judgement should be presented separately because they are relevant to an understanding of the Company's trading performance.

1.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.13 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

1.14 Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

AUTISM CARE (BEDFORD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Company's accounting policies

During the current period, there were no critical judgements in the process of applying the entity's accounting policies that could have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Recoverability of trade debtors and accrued income

The assessment of whether trade debtors and accrued income are recoverable requires management estimation. An allowance for bad debt provision is made where in the view of Directors, there is evidence of a reduction of the recoverability of future cash flows. There is a degree of uncertainty around the estimates made in calculating the current year bad debt provision which covers both councils and specific individual accounts where the Directors have assessed there to be a collection risk.

Provision for dilapidations

The Company has recognised provisions for the cost of dilapidations on leasehold properties based on estimates of the likely cash out flow at the end of the lease. The carrying amount of the provision for the period ended 28 February 2023 was £19,855 (2021: £6,000). The provision is expected to be utilised in line with the expiration of the operating leases over the lease term.

3. Turnover

Turnover represents amounts receivable for services provided in the year of account. All turnover was derived from activities located in the United Kingdom. No segmental data is provided on the basis that the revenue streams are not significantly differentiated.

Included within the accounts is other income of £3,122 (2021: £6,208) related to government grants given to social care.

AUTISM CARE (BEDFORD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

4. Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting):

	2023 (18 months) £	2021 (12 months) £
Depreciation of tangible assets (note 10)	65,722	32,915
Impairment of tangible assets (note 10)	931	2
Dilapidation provision (note 15)	13,855	-
Provision for intercompany debtors	-	205,402
Unwind of intercompany debtor provision	(705,258)	-
Release of intercompany loans	(274,459)	-
Unusual or non-recurring items	37,762	11,878
Operating lease rentals	179,101	116,449

Intercompany loans and provision

The release of intercompany loans and provision arose following a successful sanction from the courts of the RP resulting in the compromising of a limited number of claims from other unsecured creditors. See note 1.2 for further details.

5. Auditor's remuneration

Fees payable to Azets Audit Services Ltd for the audit of the Company were borne by other companies within the Group and disclosed in the consolidated financial statements of the parent, Lifeways Finance Limited. Fees payable to Azets Audit Services Ltd and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

6. Employees

Staff costs were as follows:

	2023 18 months £	2021 12 months £
Wages and salaries	643,044	407,009
Social security costs	51,041	26,278
Cost of defined contribution scheme (note 17)	10,143	6,285
	<u>704,228</u>	<u>439,572</u>

The average monthly number of employees, including the Directors, during the period was as follows:

	2023 No.	2021 No.
Direct care staff	19	27
Administration staff	1	2
	<u>20</u>	<u>29</u>

AUTISM CARE (BEDFORD) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 28 FEBRUARY 2023**

7. Directors' remuneration

No remuneration was paid or is payable to the Directors in their capacity as Directors of the Company (2021: £nil). The Directors receive remuneration from a fellow group undertaking, Lifeways Community Care Limited in respect of services to the group of which the Company is a member. Total remuneration payable by the enlarged group to the Directors of the Company (including pension scheme contributions) was £2,066,414 (2021: £739,333). It is not possible to identify the proportion of this remuneration that relates to this company.

8. Interest payable and similar expenses

	2023	2021
	(18 months)	(12 months)
	£	£
Interest payable to group undertakings		38,952
	<u>-</u>	<u>38,952</u>

AUTISM CARE (BEDFORD) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 28 FEBRUARY 2023**

9. Taxation

	2023 (18 months) £	2021 (12 months) £
Deferred tax		
Origination and reversal of timing differences	824	(3,401)
Changes to tax rates	260	(2,757)
Adjustment in respect of previous periods	3,743	(382)
Total deferred tax	<u>4,827</u>	<u>(6,540)</u>
Tax charge/(credit) for the period	<u>4,827</u>	<u>(6,540)</u>

Factors affecting tax credit for the period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2023 (18 months) £	2021 (12 months) £
Profit/(loss) before tax	<u>652,971</u>	<u>(239,148)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19.00%)	124,064	(45,438)
Effects of:		
Expenses not deductible for tax purposes	2,143	52,627
Income not taxable	(195,835)	-
Tax rate changes	260	(2,757)
Adjustment in respect of prior periods	3,743	(382)
Other	-	(1)
Group relief	70,452	(10,589)
Total tax charge/(credit) for the period	<u>4,827</u>	<u>(6,540)</u>

Factors that may affect future tax charges

The standard rate of corporation tax in the UK will remain unchanged at 19.00% until April 2023 when it will rise to 25.00% for year ends beginning 1 April 2023. Accordingly, this rate has been applied in determining the deferred tax assets and liabilities as at 28 February 2023.

AUTISM CARE (BEDFORD) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 28 FEBRUARY 2023**

10. Tangible assets

	Long term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 September 2021	33,794	23,800	219,011	276,605
Additions	-	-	36,996	36,996
Disposals	-	-	(48,118)	(48,118)
At 28 February 2023	33,794	23,800	207,889	265,483
Depreciation				
At 1 September 2021	12,680	17,517	95,134	125,331
Charge for the period	2,115	3,925	59,682	65,722
Impairment charge	-	-	931	931
Disposals	-	-	(48,118)	(48,118)
At 28 February 2023	14,795	21,442	107,629	143,866
Net book value				
At 28 February 2023	18,999	2,358	100,260	121,617
At 31 August 2021	21,114	6,283	123,877	151,274

AUTISM CARE (BEDFORD) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 28 FEBRUARY 2023**

11. Debtors: Amounts falling due within one year

	2023	2021
	£	£
Trade debtors	4,919	17,017
Other debtors	-	-
Prepayments and accrued income	8,196	49,684
Deferred taxation (note 14)	6,658	11,485
	<u>19,773</u>	<u>78,186</u>

The amounts due in relation to intercompany receivables of £697,586 (2021: £1,275,741) has been fully provided resulting in a net balance of £nil (2021: £nil). The prior year intercompany receivables were formally released following completion of the RP. See note 1.2 for further details

Amounts owed by group undertakings have no fixed repayment date.

12. Cash and cash equivalents

	2023	2021
	£	£
Cash at bank and in hand	<u>11,181</u>	<u>26,663</u>
	<u>11,181</u>	<u>26,663</u>

13. Creditors: Amounts falling due within one year

	2023	2021
	£	£
Trade creditors	1,367	341
Amounts owed to group undertakings	15,406	920,289
Other taxation and social security	-	385
Other creditors	57,384	7,698
Accruals and deferred income	2,810	23,445
	<u>76,967</u>	<u>952,158</u>

The amounts due to related parties reduced following completion of the RP. See note 1.2 for further details.

AUTISM CARE (BEDFORD) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 28 FEBRUARY 2023**

14. Deferred taxation

	2023	2021
	£	£
At start of period	11,485	4,945
Charged to the income statement	(1,084)	6,158
Adjustment in respect of previous periods	(3,743)	382
At end of period	<u>6,658</u>	<u>11,485</u>

The deferred taxation balance is made up as follows:

	2023	2021
	£	£
Fixed asset timing differences	<u>6,658</u>	<u>11,485</u>
	<u>6,658</u>	<u>11,485</u>

15. Provisions

Dilapidation provision

	2023	2021
	£	£
At start of period	6,000	6,000
Additions	<u>13,855</u>	<u>-</u>
At end of period	<u>19,855</u>	<u>6,000</u>

Dilapidation

The dilapidations provision represents the Directors' estimate of the present value of amounts potentially owed in respect of dilapidation's to leased properties occupied by the Company. The provision is expected to be utilised over the lease term. The provisions for dilapidations are not discounted.

16. Share capital

	2023	2021
	£	£
Authorised, allotted, called up and fully paid		
1 (2021: 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

AUTISM CARE (BEDFORD) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 28 FEBRUARY 2023**

17. Pension commitments

During the period ended 28 February 2023 the Company operated a defined contribution pension scheme into which the Company paid contributions of £10,143 (2021: £6,285).

18. Commitments under operating leases

At 28 February 2023 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2023	2021
	£	£
Not later than 1 year	121,274	116,289
Later than 1 year and not later than 5 years	484,102	465,475
Later than 5 years	<u>2,540,460</u>	<u>2,616,980</u>

19. Charges

The Company's assets are subject to fixed and floating charges under the Senior Facilities Agreement. The value of loans is £103.0m (2021: £178.6m) at the reporting date.

20. Related party transactions

The Company is taking advantage of the exemption contained in FRS 102 not to disclose transactions with other group companies.

AUTISM CARE (BEDFORD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

21. Events after the reporting date

There have been no reportable post balance sheet events.

22. Controlling party

The Company's immediate parent company is Lifeways Finance Limited, registered in England and Wales.

The smallest group in which the results of this entity is consolidated is Lifeways Finance Limited, a company incorporated in England and Wales. Copies of the group financial statements of Lifeways Finance Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ. The address of Lifeways Finance Limited's registered office is No. 2 The Square, Birchwood Boulevard, Warrington, United Kingdom, WA3 7QY.

In February 2023, formal Restructuring Plans under Part 26A of the UK Companies Act were sanctioned and became effective ("the RP"). The details and outcomes of the plans are detailed in Note 1.2 to these Financial Statements. One outcome is a change in the ultimate ownership of the Group to Vita Topco Limited, a Jersey incorporated entity owned by a consortium of investors.