

**CMG Homes Limited**

**Annual Report and Financial Statements**

**For the year ended 29 February 2020**

**Registered number: 03519503**



# **CMG Homes Limited**

## **Contents**

<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Directors' responsibilities statement</b>	Error! Bookmark not defined.
<b>Independent auditor's report</b>	<b>5</b>
<b>Profit and Loss account</b>	<b>7</b>
<b>Balance sheet</b>	<b>8</b>
<b>Statement of changes in equity</b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10</b>

# **CMG Homes Limited**

## **Officers and professional advisers**

### **Directors**

G J Fitton  
P Kinsey (Resigned 31 January 2020)  
D Spruzen (Resigned 30 November 2019)  
E Pearson (Appointed 15 January 2020)

### **Secretary**

G J Fitton

### **Registered Office**

First Floor  
Q4 The Square  
Randalls Way  
Leatherhead  
Surrey  
KT22 7TW

### **Banker**

NatWest  
PO Box 3415  
Bishopsgate  
London  
EC2P 2AP

### **Auditor**

KPMG LLP  
Statutory Auditor  
1 Forest Gate  
Brighton Road  
Crawley,  
West Sussex  
RH11 9PT

# CMG Homes Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 29 February 2020.

The directors' report has been prepared in accordance with the provisions applicable to Companies entitled to the small companies' exemption. Accordingly, the directors have elected to exercise the exemption available to small companies from preparing a strategic report.

### Principal activity

The principal activity of CMG Homes Limited "the Company" during the year was the leasing of care home properties for use by Care Management Group Limited in providing residential care for people with learning disabilities and complex needs, including mental health needs.

### Results, dividends and future developments

The trading results for the year and the Company's financial position at the end of the year are shown in the attached financial statements. The Company did not pay a dividend during the year (2019: £nil).

No change to the Company's operations is expected in the foreseeable future. The Covid-19 pandemic is an unprecedented situation which will impact operations in the short-term but the company is continuing to deliver core care services and is not expecting a significant reduction in revenue. Budget stress testing indicates the business can operate within funding covenants for the foreseeable future. There were no other subsequent events after the balance sheet date that would materially impact the financial statements.

### Going concern

CMG Homes Limited is part of the Galaxy Group, of which Galaxy Group Midco Limited is the parent Company. The directors have carefully considered the going concern basis underlying the preparation of the financial statements.

Recent trading activity across the Company has been in line with expectations. Referral levels have been maintained during the year and the quality of the services continued to improve, thus sustaining the Company's high occupancy levels. The Company is cash generative and funds have been continued to be reinvested to increase capacity levels and drive growth.

The Covid-19 pandemic is an unprecedented situation which will impact operations in the short-term but the Company is continuing to deliver core care services and is not expecting a significant reduction in revenue. Budget stress testing indicates the business can operate within funding covenants for the foreseeable future. There were no other subsequent events after the balance sheet date that would materially impact the financial statements

Brexit is a significant political event for the UK, and the economic consequences of Brexit are likely to be wide ranging, however because of nature of business it would not materially impact the Galaxy Group or any of its subsidiaries

The Company is party to cross guarantees for the bank debts due by all companies within the Galaxy Group. The directors have a reasonable expectation that the Galaxy Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the annual report and financial statements.

The directors believe that the Galaxy Group and the Company are well placed to manage its risks successfully despite the current economic conditions which create uncertainty.

Based on their forecast review and other factors described above, the directors have a reasonable expectation that the Company and the Galaxy Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the annual report and financial statements.

The Company has received a letter of support from Galaxy Group Midco Limited to provide support as required to settle its net liability position.

### Directors

The directors who served the Company during the year and since the year end are set out on page 1.

### Principal risks and uncertainties

The directors have assessed the level of risk within the business and believe it to be similar to comparable UK based care and support organisations, where sound working capital management and good purchaser relations are essential to the future well-being of the Company. The directors believe that the current controls and processes within the business are appropriate and adequate to achieve this position.

# CMG Homes Limited

## Directors' report (continued)

The possible economic and legislative changes arising as a result of the UK's repositioning of its relationship with the European Union is outside the Company's control. The directors continually monitor the economic and legislative position and believe they are well placed to address any changes as and when they might arise.

Management have prepared detailed forecasts for the Galaxy Group for the period to February 2022, which includes the impact of Covid-19 on the company's plans and future forecast. Net debt levels, servicing costs and covenant requirements are closely monitored and managed according to strict management processes. Management have considered the expected availability of working capital and achievement of covenants required.

The risks of the Company are managed as a Group and are fully disclosed within the Galaxy Group Bidco Limited consolidated accounts.

### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

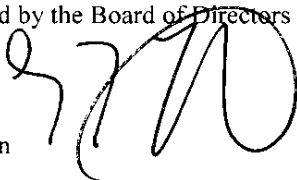
KPMG LLP were appointed as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

### Reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12.

Approved by the Board of Directors and signed on behalf of the Board on 23 June 2020.

G J Fitton  
Director



### Registered Office

First Floor  
Q4 The Square  
Randalls Way  
Leatherhead  
Surrey  
KT22 7TW

## **CMG Homes Limited**

### **Directors' responsibilities statement**

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# **Independent auditor's report to the members of CMG Homes Limited**

## **Opinion**

We have audited the financial statements of CMG Homes Limited ("the Company") for the year ended 29<sup>th</sup> February 2020 which comprise the Profit and Loss account, Balance sheet, Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 February 2020 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

## **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- In our opinion that report has been prepared in accordance with the Companies Act 2006.

## **Independent auditor's report to the members of CMG Homes Limited (continued)**

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.


### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Mark Sheppard (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
1 Forest Gate  
Brighton Road  
Crawley  
West Sussex  
RH11 9PT

24 June 2020



## CMG Homes Limited

### Profit and Loss account For the year ended 29 February 2020

	Notes	2020 £	2019 £
<b>Turnover</b>	2	6,464,452	6,550,554
Cost of sales		(4,266,538)	(4,349,567)
<b>Gross profit</b>		<u>2,197,914</u>	<u>2,200,987</u>
Administrative expenses		(2,197,914)	(2,200,987)
<b>Result before taxation</b>	3	-	-
Taxation	4	-	(1,638)
<b>Result for the year after taxation</b>		<u>-</u>	<u>(1,638)</u>

The Company has no recognised gains and losses in the current or preceding year other than the result for the year as included above. Accordingly no separate statement of comprehensive income has been presented.

All of the activities of the Company are classed as continuing.

The accompanying notes on pages 10 to 15 form part of financial statements.

## CMG Homes Limited

### Balance sheet as at 29 February 2020

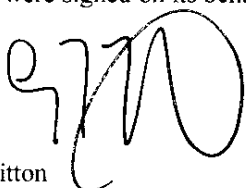
	Notes	2020 £	2019 £
<b>Current assets</b>			
Cash at bank and in hand		1,656,707	656,889
Deferred tax	10	116,735	116,735
		<u>1,773,442</u>	<u>773,624</u>
<b>Creditors: amounts falling due in less than one year</b>	5	<u>(2,549,122)</u>	<u>(98,251)</u>
<b>Net current (liabilities) / assets</b>		<u>(775,680)</u>	<u>675,373</u>
<b>Creditors: amounts falling due in more than one year</b>	6	-	(1,451,053)
Provisions for liabilities and charges	7	<u>(686,676)</u>	<u>(686,676)</u>
<b>Net liabilities</b>		<u>(1,462,356)</u>	<u>(1,462,356)</u>
<b>Capital and reserves</b>			
Called up share capital	9	1,000	1,000
Profit and loss account		<u>(1,463,356)</u>	<u>(1,463,356)</u>
<b>Total shareholder's deficit</b>		<u>(1,462,356)</u>	<u>(1,462,356)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements of CMG Homes Limited (registered number 03519503) were approved by the Board of Directors and authorised for issue on 23 June 2020.

The accompanying notes on pages 10 to 15 form part of financial statements.

They were signed on its behalf by:

  
G J Fitton  
Director

## CMG Homes Limited

### Statement of changes in equity For the year ended 29 February 2020

	<b>Called-up share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
<b>At 28 February 2018</b>	1,000	(1,461,718)	(1,460,718)
Loss for the financial year	-	(1,638)	(1,638)
<b>At 28 February 2019</b>	1,000	(1,463,356)	(1,462,356)
Loss for the financial year	-	-	-
<b>At 29 February 2020</b>	1,000	(1,463,356)	(1,462,356)

# CMG Homes Limited

## Notes to the financial statements For the year ended 29 February 2020

### 1. Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. The particular accounting policies adopted are described below. The accounting policies have been consistently applied in the current and preceding year.

#### a. General information and basis of accounting

CMG Homes Limited is a Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the directors' report on pages 2 to 3.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of CMG Homes Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

CMG Homes Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. CMG Homes Limited is consolidated in the financial statements of its parent, Galaxy Group Midco Limited, which may be obtained from the registered office shown on page 15. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

#### b. Going concern

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons. At the balance sheet date the company had cash balances of £1.65m, net current liabilities of £0.8m and net liabilities of £1.46m.

The Company is a member of the group headed by Galaxy Group Midco Limited and guarantees the obligations of the Galaxy Group's borrowers under the group's finance facilities agreements. Details are provided in the contingent liability note 12, but other than interest costs, there are no cash requirements relating to these facilities until 2023. In their assessment of going concern relating to the Group, the directors of Galaxy Group Midco Limited have concluded that there are no material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern and that it remains appropriate to prepare the financial statements on a going concern basis.

In making their assessment relating to CMG Homes Limited, the directors have prepared projected cash flow information for the period ending 28 February 2022, being more than twelve months from the date of their approval of these financial statements. The projections include the impact of Covid-19 on the company's plans and future forecast, including the impact on occupancy levels, employment and other incremental costs such as personal protection equipment. These projections reflect the company's experience of operating throughout the lockdown that has been in place since late March 2020, with an expectation that there will continue to be incremental costs through to the end of the new financial year. Based on these projections, the directors believe they will operate within existing facilities and that all banking covenants (tested at a Group level) will be met.

The directors have also forecast a more severe but plausible downside scenario in which occupancy levels are more greatly impacted and even in this scenario, the directors believe they will operate within existing facilities.

The forecasts for the company are dependent on the Company's immediate parent company, Care Management Group Limited, not seeking repayment of the amounts currently owed by the company, which at 29 February 2020 amounted to £2.46m. Care Management Group Limited has indicated that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

# CMG Homes Limited

## Notes to the financial statements (continued) For the year ended 29 February 2020

### 1. Accounting policies (continued)

#### b. Going concern (continued)

Although all businesses are facing unprecedented levels of uncertainty, based on the above the directors are satisfied that there are no material uncertainties that may cast significant doubt on the company's ability to continue as a going concern and that it remains appropriate to prepare the financial statements on a going concern basis.

#### c. Provisions for liabilities and charges

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and if this amount is capable of being reliably estimated. The provision in the financial statements provides against bringing the properties back to the required state of repair at the end of the lease.

#### d. Turnover

Turnover represents sales and services to third party customers in the care sector, stated net of any applicable value added tax. Turnover is recognised when the services are provided.

#### e. Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

#### f. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse.

#### g. Financial instruments

##### *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.

# CMG Homes Limited

## Notes to the financial statements (continued)

### For the year ended 29 February 2020

#### 1. Accounting policies (continued)

##### g. Financial instruments (continued)

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

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.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

##### h. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in this note, the directors are required to make judgements, 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.

##### *Key source of estimation uncertainty*

In applying the Company's accounting policies various transactions and balances are valued using estimates or assumptions. Should these estimates or assumptions prove incorrect, there may be an impact on the following year's financial statements. There are no sources of estimation uncertainty at the end of 2020 that has a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities during 2021.

Estimates have been applied by the company in respect to the valuation of dilapidation provision, in particular the judgement used when assessing the extent to which the provision should be recognised with consideration given to estimates of the works to be completed prior to the end of the property lease.

##### *Critical accounting judgements*

In the course of preparing the financial statements, no judgements have been made in the process of applying the Company's accounting policies, other than those involving estimations, that have had a significant effect on the amounts recognised in the financial statements.

#### 2. Turnover

Turnover, all of which arises in the United Kingdom, is attributable to the, being the provision of residential care for people with learning disabilities and complex needs including mental health needs by Care Management Group Limited as agent for the Company.

#### 3. Result before taxation

	2020	2019
	£	£
<b>This is stated after charging:</b>		
Operating lease costs – other	829,826	900,815

Auditor's remuneration of £nil (2019: £Nil) is borne by the Company's parent Company, Care Management Group Limited, and was not recharged in the current or prior year.

## CMG Homes Limited

### Notes to the financial statements (continued) For the year ended 29 February 2020

#### 3. Result before taxation (continued)

Other than the directors, the Company had no employees (2019: none). The directors received remuneration paid by Care Management Group Limited in respect of their services to Group Companies. The portion that relates to the Company is £nil (2019: £nil).

#### 4. Taxation

The tax charge comprises:

	2020 £	2019 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	1,831
Effect of changes in tax rates	-	(193)
	<u>-</u>	<u>1,638</u>
<b>Factors affecting current tax for the year:</b>		
Result before taxation	<u>-</u>	<u>-</u>
Tax on loss at standard UK rate corporation tax rate of 19% (2019: 19%)	-	-
Effects of:		
Expenses not deductible	-	1
Group relief	-	16,521
Transfer pricing adjustment	-	(14,691)
Tax rate changes	-	(193)
<b>Total tax charge for the year</b>	<u>-</u>	<u>1,638</u>

In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current rate of 19% and will not reduce to 17% from 1 April 2020. A reduction in UK corporation tax from 19% to 17% (effective from 1 April 2020) was enacted on 6 September 2016.

There is no expiry date on timing differences, unused tax losses or tax credits.

#### 5. Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	86,066	98,251
Amounts owed to Group undertakings	2,463,056	-
	<u>2,549,122</u>	<u>98,251</u>

## CMG Homes Limited

### Notes to the financial statements (continued) For the year ended 29 February 2020

#### 6. Creditors: amounts falling due in more than one year

	2020	2019
	£	£
Amounts owed to Group undertakings	-	1,451,053

Amounts owed to Group undertakings are unsecured and interest free. The lender has confirmed that they would not demand repayment of the intercompany balance if it was to impact the going concern position of the Company.

#### 7. Provisions for liabilities and charges

	2020	2019
	£	£
Property dilapidation provision	686,676	686,676

Movement on provisions during the year was as follows:

	2020	2019
	£	£
Balance at the beginning of the year	686,676	696,312
Released during the year	-	(9,636)
Balance at the end of the year	686,676	686,676

The property provision relates to the cost of bringing the properties back to the required state of repair at the end of the lease in 2032.

#### 8. Commitments under operating leases

Total future minimum lease payments under non-cancellable operating leases is as follows:

	Land and buildings	
	2020	2019
	£'000	£'000
Total future minimum lease payments under non-cancellable operating leases		
(i) not later than one year	660	653
(ii) later than one year and not later than 5 years	2,641	2,614
(iii) later than 5 years	5,346	6,915

#### 9. Share capital

	2020	2019
	£	£
<b>Called up, allotted and fully paid</b>		
1,000 ordinary shares of £1 each	1,000	1,000



## CMG Homes Limited

### Notes to the financial statements (continued) For the year ended 29 February 2020

#### 10. Deferred tax

The deferred tax asset is made up as follows:

	£
At 1 March 2019	116,735
Charged to the profit and loss account (note 4)	-
	<hr/>
At 29 February 2020	116,735
	<hr/> <hr/>

	2020	2019
	£	£
Short term timing differences	116,735	116,735
	<hr/> <hr/>	<hr/> <hr/>

The closing deferred tax asset as at 29 February 2020 has been calculated at 17% reflecting the tax rate at which the deferred tax asset is expected to be utilised in future years.

#### 11. Related party transactions

The Company has taken the exemption provided under FRS 102 to not disclose intercompany transactions between members of the Group where the entities are wholly owned by the parent Company.

No loans are held or have been held at any time during the year between the Company and a director.

The key management personnel of the Company are also the key management personnel of the Group and other group companies. Management do not believe it is possible to assign these costs to each individual Company. Disclosure of key management personnel costs are disclosed in the accounts of Galaxy Group Bidco Limited.

#### 12. Financial commitments

The Company is party to cross guarantees for the bank debts due by all companies within Galaxy Group Bidco Limited Group. Total amounts due as at 29 February 2020 amounted to £241.2m (2019: £230.1m). The Company's assets are securitised against the loan held.

#### 13. Ultimate parent Company and controlling party

The Company is a subsidiary undertaking of Care Management Group Limited and the ultimate Parent Company was AMP Capital Investors (European Infrastructure No 5) S.à r.l. incorporated in Luxembourg. The Company is held by funds managed by AMP Capital Investments (UK) Limited which was incorporated in the UK.

The smallest and largest Group into which the results of CMG Homes Limited are consolidated is Galaxy Group Bidco Limited and Galaxy Group Midco Limited respectively. The consolidated accounts of these companies may be obtained from the Companies registered address at 1st Floor, Q4 The Square, Randalls Way, Leatherhead, KT22 7TW and 3rd Floor 11-12 St. James's Square London SW1Y 4LB respectively.

#### 14. Subsequent events

The Covid-19 pandemic is an unprecedented situation which will impact operations in the short-term but the Company is continuing to deliver core care services and is not expecting a significant reduction in revenue. Budget stress testing indicates the business can operate within funding covenants for the foreseeable future. There were no other subsequent events after the balance sheet date that would materially impact the financial statements