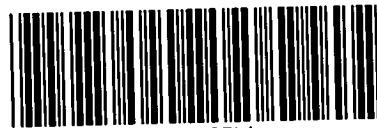


Registered number: 02797701

CHS HEALTHCARE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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CHS HEALTHCARE LIMITED

COMPANY INFORMATION

Directors	A Knight R Pearman M Rosenberg
Company secretary	J D Calow
Registered number	02797701
Registered office	Connaught House 850 The Crescent Colchester Business Park Colchester Essex CO4 9QB
Independent auditors	KPMG LLP Dragonfly House 2 Gilders Way Norwich NR3 1UB
Bankers	HSBC Bank Plc Midland House 26 North Station Road Colchester Essex CO1 1SY

CHS HEALTHCARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present their report and the financial statements for the year ended 30 September 2022.

CHS Healthcare Limited ("the Company") is a subsidiary of Care UK Holdings Limited ("Care UK" or "the Group"), the ultimate controlling parent company.

Care UK's ongoing strategy is to provide safe and stimulating environments in which residents are supported to lead fulfilling lives. We aim to achieve this by developing our existing care homes. Modern and well-maintained facilities are important to good quality care and the Group will continue to update existing care homes. Whether our customers are publicly or privately funded, the Group will not compromise on meeting individual needs. The Group have retained market-leading regulator ratings, with 89% of our homes rated Good or Outstanding. This remains in the highest level of compliance of similar large suppliers. The Group also continue to operate 21 Outstanding-rated homes, which is more than any other UK provider.

Principal activity

The company is a holding company for a group providing the operation of nursing and residential care homes for the elderly.

Business review

The company acted as a holding company in the year.

Results and dividends

The profit for the year, after taxation, amounted to £188,000 (2021 - £174,000).

No dividend (2021: £nil) was paid in the year.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Directors

The directors who served during the year were:

A Knight
R Pearman
M Rosenberg

Political and charitable donations

The company made no political or charitable donations during the year (2021: £nil).

CHS HEALTHCARE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Principal risks and uncertainties

The board of directors have the overall responsibility for Care UK's approach to assessing risk and the senior management teams are responsible for managing risk and maintaining appropriate control environments.

The principal risks faced by Care UK are set out below:

Covid-19

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

Key metrics continue to be monitored closely by the Board and Management. Indicators point to a sustained recovery, most clearly illustrated by the consistent positive trend in occupancy.

Key risk factors include:

- The impact of new Covid-19 variants on the efficacy of current vaccines.
- The impact of any Covid-19 related precautionary measures and restrictions.
- Any significant spikes in the number of cases.

Market risks

The Group provides services to publicly funded entities in the United Kingdom such as Local Authorities and the NHS, typically through Clinical Commissioning Groups, and any material reduction in the revenue earned from such services could adversely impact the Group's business.

These risks are mitigated by a diversified income stream, sector leading quality and strong relationship management.

The Group's strategy is partly based on growth derived from increased levels of consumer demand for certain of its services or the increased influence of consumers in the choice of the provider of care to them and, as a result, its future growth is dependent on maintaining the quality of its services, consumer perception of that quality and on its ability to market these services effectively.

This risk is mitigated by sector leading quality, investment in marketing and close attention to consumer needs and expectations.

Inflation risks

Future changes in the rate of the National Living Wage ("NLW") will have a significant impact on labour costs for the social care sector. Failure to recover such costs would have a negative impact on margin. Other drivers in inflation risk including notable areas such as utilities and food continue to be monitored by the Group.

This risk is mitigated by careful cost control, including price hedging where possible and supplier management.

Regulatory risks

The Group operates in a highly regulated business environment and failure to comply with regulations 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.

CHS HEALTHCARE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Principal risks and uncertainties (continued)

Liquidity risk

The Group has access to a Revolving Credit Facility (RCF) for managing working capital requirements. In addition to this, the Group is funded by a Facility term loan (Facility B Term loan). Covenants apply to these funding arrangements which limit operating and financial flexibility if the Group defaults under these covenants.

The financing and debt arrangements are subject to an element of variable interest rates and any increases in interest rates in the future could significantly increase costs and reduce cash flow.

There is also a risk, due to macroeconomic factors, that long term financing, including for the development of new facilities or modifications of existing facilities, may not be available on acceptable terms in the future.

Strong working relationships are maintained with our banking partners, to facilitate the regular provision of compliance reporting, and oversight of key issues impacting the business. In addition, prudent liquidity management policies are applied that include interest rate hedging and the preparation of regular detailed cash flow forecasts to monitor liquidity and compliance with the covenants.

Credit risk

A large proportion of the Group's revenue is derived from privately funded customers, and as a result there is potential exposure to credit risk.

The risk of an extended recessionary period and weak macro economic conditions generally may have an adverse effect on personal disposable income and/or the values of assets available to pay for care fees.

The risk is not considered material, and adequate provisions are made in the financial statements.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 April 2023 and signed on its behalf.



M Rosenberg
Director

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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 FRS102 *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 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 judgments 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;
- 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 to 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 assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHS HEALTHCARE LIMITED

Opinion

We have audited the financial statements of CHS Healthcare Limited ("the Company") for the year ended 30 September 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2022 and of its profit 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHS HEALTHCARE LIMITED (CONTINUED)

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").

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.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Group's high-level policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue from care homes is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue for this company is derived from related parties' transactions and is considered to be simple in nature and straightforward in its calculation and not exposed to a risk of fraudulent revenue recognition.

We did not identify any additional fraud risk. We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts, and material period-end adjustments.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHS HEALTHCARE LIMITED (CONTINUED)

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or license to operate. We identified the following areas as those most likely to have such an effect: Care Act 2014, Care Quality Commission (CQC) regulation, health and safety, fire safety, GDPR compliance, anti-bribery, anti-money laundering, employment and social security, consumer rights act, environmental protection and climate change and certain aspects of company legislation recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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 AUDITORS' REPORT TO THE MEMBERS OF CHS HEALTHCARE 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 5, 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.

Auditors' 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHS HEALTHCARE LIMITED (CONTINUED)

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.

Emma Larcombe

**Emma Larcombe (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

KPMG LLP
Dragonfly House
2 Gilders Way
Norwich
NR3 1UB

3 May 2023

CHS HEALTHCARE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Note	2022 £000	2021 £000
Interest receivable and similar income	6	188	174
Profit before tax		188	174
Tax on profit	7	-	-
Profit for the financial year		188	174
Total comprehensive income for the year		188	174

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

The notes on pages 15 to 21 form part of these financial statements.

CHS HEALTHCARE LIMITED
REGISTERED NUMBER: 02797701

BALANCE SHEET
AS AT 30 SEPTEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Investments	8	1,504	1,504
		<u>1,504</u>	<u>1,504</u>
Current assets			
Debtors: amounts falling due after more than one year	9	2,612	2,424
		<u>2,612</u>	<u>2,424</u>
Total assets less current liabilities		<u>4,116</u>	<u>3,928</u>
Net assets		<u>4,116</u>	<u>3,928</u>
Capital and reserves			
Called up share capital	10	232	232
Share premium account		1,350	1,350
Capital redemption reserve		1,180	1,180
Profit and loss account		1,354	1,166
		<u>4,116</u>	<u>3,928</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 April 2023.



M Rosenberg
Director

The notes on pages 15 to 21 form part of these financial statements.

CHS HEALTHCARE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 October 2021	232	1,350	1,180	1,166	3,928
Comprehensive income for the year					
Profit for the year	-	-	-	188	188
At 30 September 2022	232	1,350	1,180	1,354	4,116

The notes on pages 15 to 21 form part of these financial statements.

CHS HEALTHCARE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 October 2020	232	1,350	1,180	992	3,754
Comprehensive income for the year					
Profit for the year	-	-	-	174	174
At 30 September 2021	232	1,350	1,180	1,166	3,928

The notes on pages 15 to 21 form part of these financial statements.

CHS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. General information

The company is a wholly owned subsidiary of Care UK Community Partnerships Limited, which is registered in England and Wales.

Registered office: Connaught House, 850 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9QB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company is exempt by virtue of s400/s401/s402 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

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 3).

The disclosure requirements of section 1 'Reduced disclosures for subsidiaries' of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Care UK Health and Social Care Holdings Limited as at 30 September 2022 and these financial statements may be obtained from Connaught House, 850 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9QB.

CHS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.3 Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Directors' Report on page 2. The company has access to funds provided by Care UK Limited, a parent company.

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

Covid-19

During the financial year ending 30 September 2022, the world continued fighting the Covid-19 pandemic.

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

Key metrics continue to be monitored closely by the Board and Management. Indicators point to a sustained recovery, most clearly illustrated by the consistent positive trend in occupancy.

Key risk factors include:

- The impact of new Covid-19 variants on the efficacy of current vaccines.
- The impact of any Covid-19 related precautionary measures and restrictions.
- Any significant spikes in the number of cases.

Going concern assessment

Management have assessed the potential cash generation of the Group against a range of projected scenarios, including a severe but plausible downside scenario, which includes a reduction in occupancy and additional costs increases (through additional inflation, labour costs and increased interest costs). In all scenarios assessed, the Group was able to maintain sufficient liquidity to continue trading, generate positive EBITDA, and meet its covenant requirements.

Consequently, the directors are confident that the Group and company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.5 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

CHS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Taxation

Tax is recognised in profit or loss 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 balance sheet 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 balance sheet 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 balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with FRS 102 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year then ended. Management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from those estimates. No judgements or estimates have been identified that would have a material impact on the company.

Management regularly discusses with the Group Audit Committee the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates.

4. Auditors' remuneration

Auditors' remuneration of £10,000 (2021: £1,000) was borne by another group undertaking in both financial years.

CHS HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

5. Directors' remuneration

The directors received no emoluments during the financial year ended 30 September 2022 for their services to the company (2021: £nil).

During the period the directors received emoluments for services on behalf of other group entities but it is not considered practicable to allocate this between services as director of CHS Healthcare Ltd and services on behalf of fellow group entities. Management does not deem the time spent on this to be material.

The emoluments of R Pearman, A Knight and M Rosenberg for services to the Care UK Ltd Group are paid by and disclosed within the accounts of Care UK Community Partnerships Ltd.

Retirement benefits under money purchase pension schemes are accruing to 2 directors (2021: 2 directors).

6. Interest receivable

	2022 £000	2021 £000
Interest receivable from group companies	188	174

7. Taxation

	2022 £000	2021 £000
Total current tax	-	-

CHS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

7. Taxation (continued)

Factors affecting tax charge for the year

The tax charge for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19.0% (2021 - 19.0%). The differences are explained below:

	2022 £000	2021 £000
Profit on ordinary activities before tax	188	174
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2021 - 19.0%)	36	33
Effects of:		
Group relief claimed	(36)	(33)
Total tax charge/(credit) for the year	-	-

Factors that may affect future tax charges

In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the group's future tax charge.

The deferred tax balances have been calculated at the balance sheet date using the rate of 25%.

CHS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

8. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 October 2021	1,504
At 30 September 2022	<u>1,504</u>
Net book value	
At 30 September 2022	<u>1,504</u>
At 30 September 2021	<u>1,504</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Community Health Services Limited	As per parent company	Ordinary	100%
CHS (Kincardine) Limited	As per parent company	Ordinary	100%

All subsidiaries have a registered address of Connaught House, 850 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9QB.

The aggregate of the share capital and reserves as at 30 September 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(Loss) £000
Community Health Services Limited	19,506	5,963
CHS (Kincardine) Limited	330	(248)

CHS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

9. Debtors

Due after more than one year

Amounts owed by group undertakings

2,612

2,424

10. Share capital

2022
£000

2021
£000

Allotted, called up and fully paid

2,320,000 (2021 - 2,320,000) Ordinary shares of £0.10 each

232

232

11. Contingent liabilities

Cross guarantees

The group has a number of cross guarantees between group companies relating to debtor balances. The directors consider that the likelihood of these guarantees being called upon is remote.

12. Post balance sheet events

There have been no significant events affecting the Company since the year end.

13. Controlling party

The company is a wholly owned subsidiary of Care UK Community Partnerships Limited, which is registered in England and Wales. Care UK Community Partnerships Limited does not prepare group financial statements.

Care UK's ultimate parent company is Care UK Holdings Limited, which is registered in England and Wales. The ultimate controlling party is Bridgepoint Europe IV (Nominees) Limited which is managed by Bridgepoint Advisers Limited.

Copies of the financial statements of Care UK Holdings Limited, which includes the consolidated results of this Company, are available from the company's registered office at Connaught House, 850 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9QB.