

WOODLAND HEALTHCARE LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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FOR THE YEAR ENDED 31 MARCH 2023**

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WOODLAND HEALTHCARE LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2023**

DIRECTORS:

P L Jackson
W J Davies

SECRETARY:

W J Davies

REGISTERED OFFICE:

Woodlands of Woolley Residential Home
Woolley Low Moor Lane
Woolley
Wakefield
West Yorkshire
WF4 2LN

REGISTERED NUMBER:

02912772 (England and Wales)

AUDITORS:

Cox Costello & Horne
Chartered Accountants and Statutory Auditors
Batchworth Lock House
99 Church Street, Rickmansworth
WD3 1JJ

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their strategic report for the year ended 31 March 2023.

REVIEW OF BUSINESS

The company results of 2023 are a good improvement on those of 2022, with the exception of the effects of the reduction in local authority grants received.

Regulators continue to take up more and more of our time leaving less time for us to care for residents and improve the business.

Net assets have increased to £4.7m from last year's £4.6m due mainly to retained earnings.

The board will continue its policy of declaring a dividend to transfer profits to its holding company ADL plc.

We would like to express the Board's gratitude to all the staff for their caring and support of our clients during these turbulent times.

PRINCIPAL RISKS AND UNCERTAINTIES

The principle risks and uncertainties of the business are as follows:

1. The affects and consequences of a Virus outbreak in any of our homes.
2. The uncertainties in respect of announced inspections and decisions of the Care Quality Commission.
3. Exposure to new legislation and regulatory requirements.
4. The recruitment and retention of a skilled workforce, particularly in connection with the uncertainties of Brexit/migration controls
5. The potential withdrawal of local authority approval/funding
6. The advent of inflationary pressures which have begun to appear in key cost areas

Key Performance Indicators

The directors consider the following key performance indicators of the business to be the most important and monitor them on a regular basis.

1. Investment in PPE
2. Investment in the property assets
3. Occupancy rates
4. Gross margin
5. Wage costs per bed
6. Debtor turn
7. Cash Balances

GOING CONCERN

The Company is expected to continue to generate positive cash flows for the foreseeable future and for not less than 12 months from the date of this report. On the basis of their assessment of the Company's financial position, the directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future which is not less than 12 months from the date of approving these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

ON BEHALF OF THE BOARD:

W J Davies - Secretary

15 December 2023

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their report with the financial statements of the company for the year ended 31 March 2023.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of 24 hour nursing care.

DIVIDENDS

An interim dividend of 11000 per share was paid on 31 March 2023. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 March 2023 will be £ 1,100,000 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

P L Jackson

W J Davies

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 and then apply them consistently;
- make judgements 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Cox Costello & Horne, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

W J Davies - Secretary

15 December 2023

Opinion

We have audited the financial statements of Woodland Healthcare Limited (the 'company') for the year ended 31 March 2023 which comprise the Profit and Loss, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Auditors' Report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WOODLAND HEALTHCARE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept, 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.

Responsibilities of directors

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

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WOODLAND HEALTHCARE LIMITED

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 an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We designed procedures in line with our responsibilities outlined above, to detect material misstatements in respect of irregularities, including fraud.

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 verbal and written communications with those charged with governance and other management; and via inspection of the company's regulatory and legal correspondence.

We discussed with those charged with governance and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations to our team and remained alert to any indicators of non-compliance throughout the audit, we also specifically considered where and how fraud may occur within the company.

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

Firstly, the company is subject to laws and regulations that directly affect the financial statements, including: the company's constitution, relevant financial reporting standards; company law; tax legislation and distributable profits legislation and we assess the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigations. We identified the following areas as those most likely to have such an effect: laws and regulations relevant to employment legislation; health and safety legislation; Care Quality Commission regulations, data protection legislation; anti-bribery and corruption legislation.

International Auditing Standards (UK) limit the required procedures to identify non-compliance with these laws and regulations, and no procedures over and above those already noted are required. These limited procedures did not identify any actual or suspected non-compliance with laws and regulations that could have a material impact on the financial statements.

In relation to fraud, we performed the following specific procedures in addition to those already noted:

- Challenging assumptions made by management in its significant accounting estimates;
- Identifying and testing journal entries, in particular any entries posted with unusual nominal ledger account combinations, journal entries crediting cash or any revenue account, and journal entries posted by senior management;
- Performing analytical procedures to identify unexpected movements in account balances which may be indicative of fraud; and
- Ensuring that testing undertaken on both the performance statement and the Balance Sheet includes a number of items selected on a random basis.

These procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

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 International Auditing Standards (UK). 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 procedures that we are required to undertake would identify it. In addition, as with any audit, there remains a high risk of non-detection of irregularities, as these might involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. We are not responsible for preventing non-compliance with laws and regulations or fraud, and cannot be expected to detect non-compliance with all laws and regulations or every incidence of fraud.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WOODLAND HEALTHCARE LIMITED

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an Auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Michael F Cox BSc FCA (Senior Statutory Auditor)
for and on behalf of Cox Costello & Horne
Chartered Accountants and Statutory Auditors
Batchworth Lock House
99 Church Street, Rickmansworth
WD3 1JJ

15 December 2023

PROFIT AND LOSS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	£	31.3.23 £	£	31.3.22 £
TURNOVER			3,349,418		2,811,209
Cost of sales			<u>1,866,374</u>		<u>1,726,273</u>
GROSS PROFIT			1,483,044		1,084,936
Administrative expenses			<u>338,981</u>		<u>326,936</u>
			1,144,063		758,000
Other operating income			<u>-</u>		<u>336,522</u>
OPERATING PROFIT	4		1,144,063		1,094,522
Income from shares in group undertakings		250,000		100,000	
Interest receivable and similar income		<u>2,321</u>		<u>785</u>	
			252,321		100,785
			1,396,384		1,195,307
Interest payable and similar expenses	5		<u>127</u>		<u>813</u>
PROFIT BEFORE TAXATION			1,396,257		1,194,494
Tax on profit	6		<u>225,078</u>		<u>221,466</u>
PROFIT FOR THE FINANCIAL YEAR			1,171,179		973,028
OTHER COMPREHENSIVE INCOME					
Property revaluation adjustments			-		64,481
Income tax relating to other comprehensive income			<u>(644)</u>		<u>(11,607)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX			(644)		52,874
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			<u>1,170,535</u>		<u>1,025,902</u>

BALANCE SHEET
31 MARCH 2023

			31.3.23		31.3.22
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8		3,945,422		3,985,000
Investments	9		<u>100</u>		<u>100</u>
			3,945,522		3,985,100
CURRENT ASSETS					
Stocks	10	3,000		3,000	
Debtors	11	1,027,263		560,380	
Cash at bank and in hand		<u>167,678</u>		<u>532,783</u>	
		1,197,941		1,096,163	
CREDITORS					
Amounts falling due within one year	12	<u>321,780</u>		<u>330,759</u>	
NET CURRENT ASSETS			<u>876,161</u>		<u>765,404</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,821,683		4,750,504
PROVISIONS FOR LIABILITIES	13		<u>140,446</u>		<u>139,802</u>
NET ASSETS			<u>4,681,237</u>		<u>4,610,702</u>
CAPITAL AND RESERVES					
Called up share capital	14		3,000		3,000
Revaluation reserve	15		1,641,495		1,673,911
Retained earnings	15		<u>3,036,742</u>		<u>2,933,791</u>
SHAREHOLDERS' FUNDS			<u>4,681,237</u>		<u>4,610,702</u>

The financial statements were approved by the Board of Directors and authorised for issue on 15 December 2023 and were signed on its behalf by:

W J Davies - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 April 2021	3,000	2,728,022	1,653,778	4,384,800
Changes in equity				
Dividends	-	(800,000)	-	(800,000)
Total comprehensive income	-	1,005,769	20,133	1,025,902
Balance at 31 March 2022	3,000	2,933,791	1,673,911	4,610,702
Changes in equity				
Dividends	-	(1,100,000)	-	(1,100,000)
Total comprehensive income	-	1,202,951	(32,416)	1,170,535
Balance at 31 March 2023	3,000	3,036,742	1,641,495	4,681,237

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. STATUTORY INFORMATION

Woodland Healthcare Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Going concern

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

The company meets its day to day working capital requirements from cash resources and intercompany balance with the parent company. The directors have performed a going concern assessment for a period of 12 months from the date of approval of these financial statements which indicate that the company will have sufficient funds through funding from its parent, ADL Plc. The parent has indicated its intention to continue to make available such funds as are needed by the company at the balance sheet date for 12 months from the date of approval of these financial statements. As with any company placing reliance on other group companies 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.

Based on these indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about Woodland Healthcare Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, ADL plc, c/o Woodlands Of Woolley Residential Home, Woolley, Low Moor Lane, Woolley, Wakefield, England, WF4 2LN.

The company has previously entered into a joint operation with its parent. A joint operation is a joint arrangement in which the parties that share control have direct rights to the assets and liabilities relating to the arrangement. For joint operations, the proportional share of assets, liabilities, income and expenses are reported in the parent's consolidated financial statements.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

2. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying value 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.

The following are the key sources of estimation uncertainty that the directors have assessed as being applicable to the company and that the most significant effect on the amounts recognised in the financial statements. It is deemed that there are no critical accounting judgements.

Valuation of freehold property

The valuation method of freehold property is considered most likely to have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. In order to provide an up-to-date accurate valuation an external valuer is contracted to value the property; the latest valuation was undertaken 29 September 2022. In future periods, the directors will continue to review the carrying value of the property to ensure it remains in line with its fair value.

Turnover

Turnover represents fee income receivable from care services provided. Turnover is recognised in the year in which the company obtains the right to consideration as the services provided under contracts have been delivered and is recorded at the value of the consideration due. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors.

Turnover wholly arises within the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Short leasehold	- in accordance with the property
Fixtures and fittings	- 25% on cost

Freehold land is considered to have an infinite life and is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Tangible assets (not including freehold property) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use.

Freehold property was originally stated at deemed cost and subsequently held at their latest revaluation amount less any accumulated depreciation and accumulated impairment losses. Revaluation gains and losses are taken to a revaluation reserve within equity and reported as other comprehensive income. Revaluation loss is taken to the revaluation reserve to the extent that there is a surplus on the revaluation reserve. Any excess of the loss over the surplus is taken to the profit and loss account. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Impairment of fixed assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Government grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity.

Grants related to income are government grants other than those related to assets. If the grant is for expenditure that the company would normally record in the profit or loss accounts, the grant income is reflected as income in the profit or loss accounts. Such a grant may be deferred if it relates to specific expenditure which has not yet been incurred.

Investments in subsidiaries

Investment in subsidiary undertakings are recognised at cost less any accumulated impairment losses.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. When stock are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of stocks to estimated selling price less costs to complete and sell and all losses of stocks are recognised as an expense in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of stock is recognised as a reduction in the amount of stocks recognised as an expense in the period in which the reversal occurs.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES - continued

Basic financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

a) 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.

b) Creditors

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs

Employees are enrolled in the National Employment Savings Trust (Nest) which is a defined contribution occupational pension scheme backed by the government and set up to enable employers to meet their legislative obligations for automatic enrolment. The employee and company both contribute to NEST based on qualifying earnings of the employee. The assets of the pension scheme are held separately from the company in independently administered funds.

The pension costs represents contributions payable under the pension scheme and the company has no liability under the pension scheme other than for the payment of those contributions.

Contributions outstanding at the balance sheet date amounted to £9,586 (2022 - £9,159).

3. EMPLOYEES AND DIRECTORS

	31.3.23	31.3.22
	£	£
Wages and salaries	1,477,228	1,374,124
Social security costs	120,989	101,249
Other pension costs	26,273	23,611
	<u>1,624,490</u>	<u>1,498,984</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 20233. **EMPLOYEES AND DIRECTORS - continued**

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

	31.3.23	31.3.22
Engaged in the provision of care	<u>78</u>	<u>81</u>

	31.3.23	31.3.22
Directors' remuneration	<u>£ -</u>	<u>£ -</u>

4. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.3.23	31.3.22
	£	£
Depreciation - owned assets	39,578	72,599
Auditors' remuneration	6,298	6,000
Auditors' remuneration for non audit work	<u>1,562</u>	<u>1,488</u>

5. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.3.23	31.3.22
	£	£
Interest payable	<u>127</u>	<u>813</u>

6. **TAXATION****Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31.3.23	31.3.22
	£	£
Current tax:		
UK corporation tax	225,078	221,466
Tax on profit	<u>225,078</u>	<u>221,466</u>

UK corporation tax has been charged at 19.69% (2022 - 20.23%).

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.23	31.3.22
	£	£
Profit before tax	<u>1,396,257</u>	<u>1,194,494</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	265,289	226,954
Effects of:		
Income not taxable for tax purposes	(47,500)	(19,000)
Depreciation in excess of capital allowances	<u>7,289</u>	<u>13,512</u>
Total tax charge	<u>225,078</u>	<u>221,466</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

6. TAXATION - continued

Tax effects relating to effects of other comprehensive income

	Gross £	Tax £	31.3.23 Net £
Property revaluation adjustments	-	(644)	(644)

	Gross £	Tax £	31.3.22 Net £
Property revaluation adjustments	64,481	(11,607)	52,874

7. DIVIDENDS

	31.3.23 £	31.3.22 £
Ordinary shares of £1 each Interim	1,100,000	800,000

8. TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST OR VALUATION					
At 1 April 2022					
and 31 March 2023	4,474,481	250,000	196,072	23,600	4,944,153
DEPRECIATION					
At 1 April 2022	489,481	250,000	196,072	23,600	959,153
Charge for year	39,578	-	-	-	39,578
At 31 March 2023	529,059	250,000	196,072	23,600	998,731
NET BOOK VALUE					
At 31 March 2023	3,945,422	-	-	-	3,945,422
At 31 March 2022	3,985,000	-	-	-	3,985,000

Included in cost or valuation of land and buildings is freehold land of £ 1,075,000 (2022 - £ 1,075,000) which is not depreciated.

Cost or valuation at 31 March 2023 is represented by:

	Freehold property £	Short leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
Valuation in 2022	2,039,481	-	-	-	2,039,481
Cost	2,435,000	250,000	196,072	23,600	2,904,672
	4,474,481	250,000	196,072	23,600	4,944,153

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

8. TANGIBLE FIXED ASSETS - continued

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	31.3.23	31.3.22
	£	£
Cost	2,685,000	2,685,000
Aggregate depreciation	738,545	703,376
Value of land in freehold land and buildings	926,560	926,560

Freehold land and buildings were valued on an informal basis on 31 March 2023 by directors .

At the reporting date, the directors consider that the carrying value of freehold property to be in line with market expectations.

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2022 and 31 March 2023	100
NET BOOK VALUE	
At 31 March 2023	100
At 31 March 2022	100

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Sunnymede Limited

Registered office:

Nature of business: Nursing Home

Class of shares:
Ordinary

%
holding
100.00

10. STOCKS

	31.3.23	31.3.22
	£	£
Stocks	3,000	3,000

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade debtors	320,326	220,952
Amounts owed by group undertaking	680,772	314,354
Other debtors	3,500	4,195
Prepayments	22,665	20,879
	1,027,263	560,380

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Amounts owed by group undertaking is unsecured, attracts no interest, has no fixed terms of repayment and is considered payable on demand.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade creditors	33,440	15,634
Corporation tax	95,438	102,081
Social security and other taxes	58,622	56,989
Other creditors	115,320	143,030
Accruals	18,960	13,025
	<u>321,780</u>	<u>330,759</u>

13. PROVISIONS FOR LIABILITIES

	31.3.23	31.3.22
	£	£
Deferred tax	<u>140,446</u>	<u>139,802</u>

	Deferred tax
	£
Balance at 1 April 2022	139,802
Property revaluation	644
Balance at 31 March 2023	<u>140,446</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.3.23	31.3.22
			£	£
3,000	Ordinary	£1	<u>3,000</u>	<u>3,000</u>

15. RESERVES

	Retained earnings	Revaluation reserve	Totals
	£	£	£
At 1 April 2022	2,933,791	1,673,911	4,607,702
Profit for the year	1,171,179		1,171,179
Dividends	(1,100,000)		(1,100,000)
Deferred tax on freehold property	-	(644)	(644)
Depreciation on freehold property	31,772	(31,772)	-
At 31 March 2023	<u>3,036,742</u>	<u>1,641,495</u>	<u>4,678,237</u>

Revaluation reserve represents the surplus or deficit arising between the fair value and book value of freehold properties and deferred tax thereon.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

16. CONTINGENT LIABILITIES

The group's bank loan, as held by ADL plc, are secured by legal mortgages, and fixed and floating charges over the group's assets, being the group's properties, book debts, plant and machinery and other assets and the business undertakings. The company has guaranteed these borrowings. The extent of the group's liability at 31 March 2023 was £2,673,687 (2022: £5,681,898). The directors consider it to be highly unlikely that any liability will crystallise upon the company as as a result of this guarantee.

17. ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking and controlling party is ADL plc (a public limited company incorporated in England and Wales).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.