

Registered number: 02927338

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**VERULAM HEALTH CARE LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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**VERULAM HEALTH CARE LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	DP Tominey B Tominey
<b>Company secretary</b>	P McCarthy
<b>Registered number</b>	02927338
<b>Registered office</b>	Verulam House Verulam Road St Albans Hertfordshire AL3 4DH
<b>Independent auditors</b>	WMT 4 Beaconsfield Road St Albans Hertfordshire AL1 3RD

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**VERULAM HEALTH CARE LIMITED**

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**CONTENTS**

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	<b>Page</b>
<b>Strategic Report</b>	<b>1 - 2</b>
<b>Directors' Report</b>	<b>3 - 4</b>
<b>Independent Auditors' Report</b>	<b>5 - 8</b>
<b>Statement of Comprehensive Income</b>	<b>9</b>
<b>Balance Sheet</b>	<b>10</b>
<b>Statement of Changes in Equity</b>	<b>11</b>
<b>Statement of Cash Flows</b>	<b>12</b>
<b>Analysis of Net Debt</b>	<b>13</b>
<b>Notes to the Financial Statements</b>	<b>14 - 25</b>

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## VERULAM HEALTH CARE LIMITED

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

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#### Introduction

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

#### Business review

The results for the year and the financial position as at 31 March 2023 were considered to be very good by the Directors.

The Company's turnover increased by 20% for the year with an operating profit of £478,953 (2022: £331,082) as seen on page 9. The key variances are that although staff costs increased by some 10% and the number of staff increased by 8%, occupancy rates were substantially better than in previous years. Also while other costs, such as energy and food, increased significantly these were largely offset by appropriate fee increases.

#### Principal risks and uncertainties

Inflation and the multiple rises in interest rates pose the principal risks to the business. Residents fees were increased by 10% in August 2022 to mitigate these risks.

Occupancy is now back to pre Covid-19 levels at an average over the 12 months of 43 residents. The six month period April 2023 to September 2023 demonstrates a further increase in occupancy of an average of 45 residents. Demand for beds is currently very high and most months there is a waiting list.

During 2022/23 the company has replaced the two main hot water boilers and the two main central heating boilers with energy saving modern equivalents. The EPC rating prior to the boiler replacements was C and the company is hoping to upgrade this to B. The company has doubled its loft insulation and is taking other measures to increase the EPC rating to B.

The company's Person Centred Electronic Care planning system is now fully installed and is a great success. Relatives can now check their loved one's care on line as they have access to the electronic system. The Directors are fully engaged in protecting Verulam House from future uncertainties using new technologies to improve the lives of our residents.

Our Matron has received the Diploma in Leadership and Management for Health and Social Care. Furthermore, Verulam House has recently been awarded the prestigious Gold Standard Framework for End-of-Life Care which we have been working towards for several years. The Directors are extremely proud of these achievements.

#### Financial key performance indicators

The main key performance indicators are:

	2023	2022
Turnover	£ 3,608,969	£ 3,008,021
Average occupancy	43	40

For the 2023/24 year, the average occupancy rate has risen to 45 from April to September 2023 and the average fee rate at September 2023 is £1,799.

The directors are actively monitoring income through regular management information to ensure that they are able to effectively manage the position.

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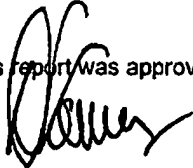
**VERULAM HEALTH CARE LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

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



**DP Tominey  
Director**

Date: 2 November 2023

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## VERULAM HEALTH CARE LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

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The directors present their report and the financial statements for the year ended 31 March 2023.

#### Principal activity

The principal activity of the company continued to be the provision of nursing care.

#### Directors

The directors who served during the year were:

DP Tominey  
B Tominey

#### Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

#### Results and dividends

The profit for the year, before taxation, amounted to £345,527 (2022 - £243,887).

The directors did not recommend paying a dividend in the year ended 31 March 2023 (2022: £nil).

#### Future developments

The directors intend to continue to provide the very highest standard of 24 hour nursing care.

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**VERULAM HEALTH CARE LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

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**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.

**Post balance sheet events**

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

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



DP Tominey  
Director

Date: 2 November 2023

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## VERULAM HEALTH CARE LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VERULAM HEALTH CARE LIMITED

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#### Opinion

We have audited the financial statements of Verulam Health Care Limited (the 'Company') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 United Kingdom, including the Financial Reporting Council'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.



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## VERULAM HEALTH CARE LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VERULAM HEALTH CARE LIMITED (CONTINUED)

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#### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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.

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

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

In the light of 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 Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

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## VERULAM HEALTH CARE LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VERULAM HEALTH CARE LIMITED (CONTINUED)

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#### 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of Verulam Health Care Limited and its activities, the following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards (FRS 102), Company Law (Companies Act 2006) and UK Taxation legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the company and therefore may have a material effect on the financial statements include the Nursing and Midwifery Order 2001, the Health Act 1999, the Health and Social Care Act 2008, Health & Safety Act, the Mental Capacity Act 2005, Care Quality Commission (Registration) Regulations 2009, safeguarding, employment regulations and data protection.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; inquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; testing the appropriateness of journal entries and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

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**VERULAM HEALTH CARE LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VERULAM HEALTH CARE LIMITED  
(CONTINUED)**

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**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Elizabeth Wicks*

Elizabeth Wicks (Senior Statutory Auditor)

for and on behalf of  
**WMT**

4 Beaconsfield Road  
St Albans  
Hertfordshire  
AL1 3RD

Date: 2 November 2023

**VERULAM HEALTH CARE LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
Turnover	3,608,969	3,008,021
Cost of sales	(113,357)	(106,191)
<b>Gross profit</b>	<b>3,495,612</b>	<b>2,901,830</b>
Administrative expenses	(3,037,632)	(2,735,544)
Other operating income	20,973	164,796
<b>Operating profit</b>	<b>478,953</b>	<b>331,082</b>
Interest receivable and similar income	5,736	-
Interest payable and similar expenses	(139,162)	(87,195)
<b>Profit before tax</b>	<b>345,527</b>	<b>243,887</b>
Tax on profit	11 (49,134)	(114,933)
<b>Profit for the financial year</b>	<b>296,393</b>	<b>128,954</b>

There was no other comprehensive income for 2023 (2022:£NIL).


The notes on pages 14 to 25 form part of these financial statements.

**VERULAM HEALTH CARE LIMITED**  
**REGISTERED NUMBER: 02927338**

**BALANCE SHEET**  
**AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	12	7,015,691	6,991,100
		<u>7,015,691</u>	<u>6,991,100</u>
<b>Current assets</b>			
Stocks	13	19,605	10,500
Debtors: amounts falling due within one year	14	402,597	476,884
Cash at bank and in hand		506,487	320,631
		<u>928,689</u>	<u>808,015</u>
Creditors: amounts falling due within one year	15	(468,107)	(489,546)
<b>Net current assets</b>		<u>460,582</u>	<u>318,469</u>
<b>Total assets less current liabilities</b>		<u>7,476,273</u>	<u>7,309,569</u>
Creditors: amounts falling due after more than one year	16	(3,150,000)	(3,271,478)
<b>Provisions for liabilities</b>			
Deferred tax	18	(704,219)	(712,430)
<b>Net assets</b>		<u><u>3,622,054</u></u>	<u><u>3,325,661</u></u>
<b>Capital and reserves</b>			
Called up share capital		500,000	500,000
Revaluation reserve		2,051,279	2,028,757
Capital redemption reserve		100	100
Profit and loss account		1,070,675	796,804
		<u><u>3,622,054</u></u>	<u><u>3,325,661</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**DP Tominey**  
 Director  
 Date: 2 November 2023

The notes on pages 14 to 25 form part of these financial statements.

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**VERULAM HEALTH CARE LIMITED**

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

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	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
<b>At 1 April 2021</b>	<b>500,000</b>	<b>100</b>	<b>2,200,528</b>	<b>496,079</b>	<b>3,196,707</b>
Profit for the year	-	-	-	128,954	128,954
Deferred tax adjustment	-	-	(171,771)	171,771	-
<b>At 1 April 2022</b>	<b>500,000</b>	<b>100</b>	<b>2,028,757</b>	<b>796,804</b>	<b>3,325,661</b>
Profit for the year	-	-	-	296,393	296,393
Deferred tax adjustment	-	-	22,522	(22,522)	-
<b>At 31 March 2023</b>	<b>500,000</b>	<b>100</b>	<b>2,051,279</b>	<b>1,070,675</b>	<b>3,622,054</b>

The notes on pages 14 to 25 form part of these financial statements.

**VERULAM HEALTH CARE LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	296,393	128,954
<b>Adjustments for:</b>		
Depreciation of tangible assets	71,986	72,267
Loss on disposal of tangible assets	901	-
Government grants	(20,973)	(164,796)
Interest paid	139,162	87,195
Interest received	(5,736)	-
Taxation charge	49,134	114,933
(Increase) in stocks	(9,105)	(4,000)
(Increase) in debtors	(28,213)	(26,582)
Increase/(decrease) in creditors	13,890	(29,517)
Corporation tax received/(paid)	50,082	(83,086)
<b>Net cash generated from operating activities</b>	<b>557,521</b>	<b>95,368</b>
<b>Cash flows from Investing activities</b>		
Purchase of tangible fixed assets	(97,479)	-
Government grants received	20,973	164,796
Interest received	5,736	-
<b>Net cash from investing activities</b>	<b>(70,770)</b>	<b>164,796</b>
<b>Cash flows from financing activities</b>		
Repayment of loans	(161,733)	(258,958)
Interest paid	(139,162)	(87,195)
<b>Net cash used in financing activities</b>	<b>(300,895)</b>	<b>(346,153)</b>
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>185,856</b>	<b>(85,989)</b>
Cash and cash equivalents at beginning of year	320,631	406,620
<b>Cash and cash equivalents at the end of year</b>	<b>506,487</b>	<b>320,631</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	506,487	320,631
	<b>506,487</b>	<b>320,631</b>

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**VERULAM HEALTH CARE LIMITED**

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**ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 MARCH 2023**

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	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	320,631	185,856	506,487
Debt due after 1 year	(3,271,478)	121,478	(3,150,000)
Debt due within 1 year	(40,255)	40,255	-
	<u>(2,991,102)</u>	<u>347,589</u>	<u>(2,643,513)</u>

The notes on pages 14 to 25 form part of these financial statements.



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**VERULAM HEALTH CARE LIMITED**

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

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**1. General Information**

Verulam Health Care Limited is a private company limited by shares and incorporated in England and Wales. The registered office is Verulam House, Verulam Road, St Albans, Hertfordshire, AL3 4DH.

**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 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 following principal accounting policies have been applied:

**2.2 Revenue**

Turnover represents amounts receivable for care services and non-refundable deposits. Services are exempt from VAT.

**2.3 Operating leases: the Company as lessee**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.4 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

**2.5 Interest income**

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

**2.6 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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**VERULAM HEALTH CARE LIMITED**

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

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**2. Accounting policies (continued)**

**2.7 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.8 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.9 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. 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.

**2.10 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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**VERULAM HEALTH CARE LIMITED**

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

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**2. Accounting policies (continued)**

**2.10 Tangible fixed assets (continued)**

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%
Plant and machinery	-	15%
Motor vehicles	-	20%
Fixtures and fittings	-	15%

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.11 Stocks**

Stocks are stated at the lower of cost and net realisable value.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.12 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.

**2.13 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**2.14 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.

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**VERULAM HEALTH CARE LIMITED**

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

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**2. Accounting policies (continued)**

**2.15 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**2.16 Financial Instruments**

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

**Other financial assets**

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

**Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

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**VERULAM HEALTH CARE LIMITED**

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

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**2. Accounting policies (continued)**

**2.16 Financial Instruments (continued)**

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

**Financial liabilities**

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

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

**Derecognition of financial assets**

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

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VERULAM HEALTH CARE LIMITED

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

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**3. Judgments in applying accounting policies 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 amount 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 to which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors do not consider there to be any key accounting estimates.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Care home fees	<u>3,608,969</u>	<u>3,008,021</u>

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	<u>3,608,969</u>	<u>3,008,021</u>

**5. Other operating income**

	2023 £	2022 £
Government grants receivable	<u>20,973</u>	<u>164,796</u>

**6. Auditors' remuneration**

During the year, the Company obtained the following services from the Company's auditors:

	2023 £	2022 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	10,000	12,300
Other fees payable to the Company's auditors	<u>3,250</u>	<u>12,701</u>

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**VERULAM HEALTH CARE LIMITED**

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

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**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	2023 £	2022 £
Wages and salaries	2,173,619	1,996,764
Social security costs	194,745	165,158
Cost of defined contribution scheme	54,547	51,738
	<u>2,422,911</u>	<u>2,213,660</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	2022 No.
Directors	2	2
Administration and healthcare	103	95
	<u>105</u>	<u>97</u>

**8. Directors' remuneration**

	2023 £	2022 £
Directors' emoluments	<u>73,943</u>	<u>61,454</u>

The directors are considered the key management personnel of the business.

**9. Interest receivable**

	2023 £	2022 £
Other interest receivable	<u>5,736</u>	<u>-</u>

**10. Interest payable and similar expenses**

	2023 £	2022 £
Bank interest payable	<u>139,162</u>	<u>87,195</u>

**VERULAM HEALTH CARE LIMITED**

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

**11. Taxation**

	2023 £	2022 £
<b>Corporation tax</b>		
Current tax on profits for the year	57,345	(49,593)
	<u>57,345</u>	<u>(49,593)</u>
<b>Total current tax</b>	<u>57,345</u>	<u>(49,593)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(8,211)	164,526
<b>Total deferred tax</b>	<u>(8,211)</u>	<u>164,526</u>
<b>Tax on profit</b>	<u>49,134</u>	<u>114,933</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2022 - *higher than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>345,527</u>	<u>243,887</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	65,650	46,339
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,862	14,509
Capital allowances for year in excess of depreciation	3,779	-
Adjustments to tax charge in respect of prior periods	-	488
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(102,521)
Deferred tax adjustment on revaluation of property	(22,522)	171,771
Changes in provisions leading to an increase (decrease) in the tax charge	455	(8,408)
Other differences leading to an increase (decrease) in the tax charge	(1,090)	(7,245)
<b>Total tax charge for the year</b>	<u>49,134</u>	<u>114,933</u>



**VERULAM HEALTH CARE LIMITED**

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

**11. Taxation (continued)**

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**12. Tangible fixed assets**

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 April 2022	7,200,000	266,792	11,558	561,965	8,040,315
Additions	-	82,060	-	15,418	97,478
Disposals	-	(22,021)	(1,558)	(2,947)	(26,526)
At 31 March 2023	7,200,000	326,831	10,000	574,436	8,111,267
<b>Depreciation</b>					
At 1 April 2022	240,000	237,289	11,158	560,768	1,049,215
Charge for the year on owned assets	60,000	11,101	200	685	71,986
Disposals	-	(21,120)	(1,558)	(2,947)	(25,625)
At 31 March 2023	300,000	227,270	9,800	558,506	1,095,576
<b>Net book value</b>					
At 31 March 2023	6,900,000	99,561	200	15,930	7,015,691
At 31 March 2022	6,960,000	29,503	400	1,197	6,991,100

**13. Stocks**

	2023 £	2022 £
Consumables	19,605	10,500

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**VERULAM HEALTH CARE LIMITED**

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

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**14. Debtors**

	2023 £	2022 £
Trade debtors	125,152	93,409
Other debtors	263,461	366,662
Prepayments and accrued income	13,984	16,813
	<u>402,597</u>	<u>476,884</u>

Included within other debtors is an amount of £263,019 (2022: £263,019) falling due within one year. The amount is due from Dunleary Properties Limited, a company registered in Spain of which the estate of the late P S Jackson and D P Tominey are the controlling parties.

The amount was repaid in full post year end.

**15. Creditors: Amounts falling due within one year**

	2023 £	2022 £
Bank loans	-	40,255
Trade creditors	60,666	57,818
Corporation tax	57,345	52,419
Other taxation and social security	26,518	29,299
Other creditors	107,200	106,616
Accruals and deferred income	216,378	203,139
	<u>468,107</u>	<u>489,546</u>

**16. Creditors: Amounts falling due after more than one year**

	2023 £	2022 £
Bank loans	<u>3,150,000</u>	<u>3,271,478</u>

Included in bank loans is a mortgage of £3,150,000. This facility is secured by fixed and floating charge over the Company's property and assets. The facility is repayable in full on the maturity date and interest is charged at 2.25% over LIBOR.

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VERULAM HEALTH CARE LIMITED

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

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**17. Loans**

Analysis of the maturity of loans is given below:

	2023 £	2022 £
<b>Amounts falling due within one year</b>		
Bank loans	-	40,255
<b>Amounts falling due 2-5 years</b>		
Bank loans	3,150,000	3,271,478
	<u>3,150,000</u>	<u>3,311,733</u>

**18. Deferred taxation**

	2023 £
At beginning of year	(712,430)
Charged to profit or loss	8,211
<b>At end of year</b>	<u><u>(704,219)</u></u>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(18,099)	(7,123)
Revaluations	(687,631)	(710,153)
Provisions	1,511	4,846
	<u><u>(704,219)</u></u>	<u><u>(712,430)</u></u>

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**VERULAM HEALTH CARE LIMITED**

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

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**19. Share capital**

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
2,000,000 (2022 - nil) Ordinary shares of £0.25 each	500,000	-
1,000,000 (2022 - 1,000,000) 'A' Ordinary shares of £0.25 each	-	250,000
1,000,000 (2022 - 1,000,000) 'B' Ordinary shares of £0.25 each	-	250,000
	<u>500,000</u>	<u>500,000</u>

**20. Pension commitments**

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

Included in other creditors are amounts payable to the defined benefit contribution scheme of £10,496 (2022: £19,384).

Amounts charged to the profit and loss in respect of the defined contribution schemes during the year totalled £54,547 (2022: £51,738).

**21. Commitments under operating leases**

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	As restated 2022 £
Not later than 1 year	23,506	16,018
Later than 1 year and not later than 5 years	41,382	46,484
Later than 5 years	3,142	6,569
	<u>68,030</u>	<u>69,071</u>

The prior year figures have been restated to accurately reflect the commitments as at the prior year end.

There was no impact on the Balance Sheet and Profit and Loss account.

**22. Related party transactions**

At the balance sheet date no amounts (2022: £nil) were due to or from the directors of the Company.

Please see debtors note for further details on related party transactions.