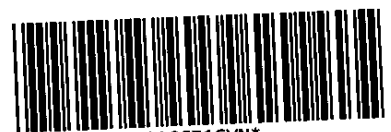


Company registration number 03160894 (England and Wales)

**BEACON CARF LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**BEACON CARE LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	F Sheikh C K Dickinson
<b>Company number</b>	03160894
<b>Registered office</b>	5th Floor Metropolitan House 3 Darkes Lane Potters Bar Hertfordshire EN6 1AG

# BEACON CARE LIMITED

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# BEACON CARE LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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

#### Principal activities

The company's principal activity continues to be that of the provision of a range of specialist care services for people with learning and physical difficulties

#### Results and dividends

The results for the year are set out on page 2.

#### Strategic report exemption

The company has taken advantage of the small companies exemption under S414B of the Companies Act 2006 from the requirement to prepare a strategic report.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

F Sheikh  
C K Dickinson

On behalf of the board



.....  
C K Dickinson

**Director**

Date: 31 August 2023 .....

# BEACON CARE LIMITED

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

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	Notes	2022 £'000	2021 £'000
Administrative expenses		(1)	(2)
Tax on loss	5	32	29
		<hr/>	<hr/>
<b>Profit and total comprehensive income for the financial year</b>		<b>31</b>	<b>27</b>
		<hr/>	<hr/>

The income statement has been prepared on the basis that all operations are continuing operations.

# BEACON CARE LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

	Notes	2022 £'000	2021 £'000
<b>Non-current assets</b>			
Property, plant and equipment	6	10	11
<b>Current assets</b>			
Trade and other receivables	7	-	1
Deferred tax asset	9	28	-
Cash and cash equivalents		50	12
		78	13
<b>Current liabilities</b>			
Trade and other payables	8	207	170
<b>Net current liabilities</b>		(129)	(157)
<b>Total assets less current liabilities</b>		(119)	(146)
<b>Provisions for liabilities</b>			
Deferred tax liabilities	9	-	4
<b>Net liabilities</b>		(119)	(150)
<b>Equity</b>			
Called up share capital	10	-	-
Capital redemption reserve	11	175	175
Retained earnings		(294)	(325)
<b>Total equity</b>		(119)	(150)

For the financial year ended 30 September 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

# **BEACON CARE LIMITED**

## **STATEMENT OF FINANCIAL POSITION (CONTINUED)**

**AS AT 30 SEPTEMBER 2022**

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The financial statements were approved by the board of directors and authorised for issue on 31 August 2023..... and are signed on its behalf by:



.....  
C K Dickinson  
**Director**

**Company Registration No. 03160894**

## BEACON CARE LIMITED

### STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Share capital £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 October 2020	-	175	(352)	(177)
Year ended 30 September 2021:				
Profit and total comprehensive income for the year	-	-	27	27
Balance at 30 September 2021	-	175	(325)	(150)
Year ended 30 September 2022:				
Profit and total comprehensive income for the year	-	-	31	31
Balance at 30 September 2022	-	175	(294)	(119)



# BEACON CARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### 1 Accounting policies

##### Company information

Beacon Care Limited is a private company limited by shares incorporated in England and Wales. The registered office is 5th Floor, Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire, EN6 1AG. The company's principal activities and nature of its operations are disclosed in the directors' report.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared on the historical cost basis except that certain financial instruments are stated at their fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of its ultimate parent company, CareTech Holdings Limited in which the entity is consolidated;
- the requirements of paragraph 33 (c) of IFRS 5 Non current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40 ,111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

Beacon Care Limited is a wholly owned subsidiary of CareTech Holdings Limited (formerly, CareTech Holdings PLC) and the results of Beacon Care Limited are included in the consolidated financial statements of CareTech Holdings Limited which are as set out in note 12.

# BEACON CARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### 1 Accounting policies

(Continued)

##### 1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	15% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

##### 1.4 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### 1.5 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the company from the adoption of IFRS 13.

##### 1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# BEACON CARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

---

### 1 Accounting policies

(Continued)

#### 1.7 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

##### **Financial assets at fair value through profit or loss**

Financial assets are classified as at FVTPL when the financial asset is held for trading. This is the case if:

- the asset has been acquired principally for the purpose of selling in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Interest and dividends are included in 'Investment income' and gains and losses on remeasurement included in 'other gains and losses' in the statement of comprehensive income.

##### **Financial assets held at amortised cost**

Financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held to maturity investments.

Held to maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Trade Receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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# BEACON CARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

---

#### 1 Accounting policies

(Continued)

##### **Financial assets at fair value through other comprehensive income**

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

Financial assets classified as available for sale are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Where an AFS financial asset is disposed of or determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Dividends and interest earned on AFS financial assets are included in the investment income line item in the statement of comprehensive income.

##### **Impairment of financial assets**

Financial assets carried at amortised cost and FVOCI are assessed for indicators of impairment at each reporting end date.

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

#### 1.8 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

# BEACON CARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

---

#### 1 Accounting policies

(Continued)

##### **Other financial liabilities**

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

## BEACON CARE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 2 Adoption of new and revised standards and changes in accounting policies

The financial statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Title	Subject	Effective date per standard
Amendment to IFRS 16 'Leases' COVID-19 – Related Rent Concessions beyond 30 June 2021	COVID-19 – Related Rent Concessions	1 April 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2	1 January 2021

#### Issued IFRS not yet effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective and these have not been applied early by the Company. Management anticipates that the following pronouncements relevant to the Company's operation will be adopted in the accounting policies for the first period beginning after the effective date of the pronouncement, once adopted by the EU:

Title	Subject	Effective date per standard
Reference to the Conceptual Framework	Amendments to IFRS 3 – Outdated reference	1 January 2022
Property, Plant and Equipment — (Amendments to IAS 16)	Proceeds before intended use	1 January 2022
Onerous Contracts — (Amendments to IAS 37)	Cost of fulfilling a Contract	1 January 2022
Annual improvements to IFRS Standards 2018-2020	Amendments to IFRS 1, IFRS 8, IFRS 16, IAS 41	1 January 2022
Amendments to IAS 1, presentation of financial statements on classification of liabilities	Narrow scope amendments to IAS1, clarity on classification of liabilities as current or non-current	1 January 2024
Narrow scope amendments to IAS 1, practice statement 2 and IAS 8	Improved accounting policy disclosures	1 January 2023
Amendments to IAS 12 deferred tax related to assets and liabilities arising from a single transaction	Recognition of deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences	1 January 2023

# BEACON CARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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### **3 Critical accounting estimates and judgements**

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 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 directors consider that there are no estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

### **4 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Total	-	-

None of the directors received any emoluments for their services to the company during the year (2021: none).

The number of directors to whom pension contributions are accruing is nil (2021: nil).

# BEACON CARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 5 Taxation

	2022 £'000	2021 £'000
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(32)	(29)

The charge for the year can be reconciled to the loss per the income statement as follows:

	2022 £'000	2021 £'000
Loss before taxation	(1)	(2)
Expected tax charge based on a corporation tax rate of 19.00% (2021: 19.00%)	-	-
Deferred tax adjustments in respect of prior years	(32)	(29)
<b>Taxation credit for the year</b>	<b>(32)</b>	<b>(29)</b>

### 6 Property, plant and equipment

	Fixtures and fittings £'000
<b>Cost</b>	
At 1 October 2021	17
At 30 September 2022	17
<b>Accumulated depreciation and impairment</b>	
At 1 October 2021	6
Charge for the year	1
At 30 September 2022	7
<b>Carrying amount</b>	
At 30 September 2022	10
At 30 September 2021	11

### 7 Trade and other receivables

	2022 £'000	2021 £'000
Trade receivables	-	1

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.



# BEACON CARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 8 Trade and other payables

	2022 £'000	2021 £'000
Amounts owed to fellow group undertakings	207	158
Other payables	-	12
	<u>207</u>	<u>170</u>

### 9 Deferred taxation

	2022 £'000	2021 £'000
Deferred tax liabilities	-	4
Deferred tax assets	(28)	-
	<u>(28)</u>	<u>4</u>

Deferred tax assets are expected to be recovered after more than one year

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	ACAs £'000
Liability at 1 October 2020	33
<b>Deferred tax movements in prior year</b>	
Charge/(credit) to profit or loss	(29)
Liability at 1 October 2021	4
<b>Deferred tax movements in current year</b>	
Charge/(credit) to profit or loss	(32)
Asset at 30 September 2022	<u>(28)</u>

Deferred tax assets and liabilities are offset in the financial statements only where the company has a legally enforceable right to do so.

### 10 Share capital

	2022 £	2021 £
<b>Issued and fully paid</b>		
2 Ordinary shares at £1 each	<u>2</u>	<u>2</u>

## BEACON CARE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### 11 Capital redemption reserve

	2022 £'000	2021 £'000
At the beginning and end of the year	175	175

#### 12 Controlling party

The Company's immediate controlling party is Beacon Care Holdings Limited.

Prior to 27 September 2022, CareTech Holdings Limited (formerly, CareTech Holdings PLC) was a publicly listed company. From 27 September 2022 onwards, the ultimate controlling party is Amalfi Topco Limited, a company incorporated in Jersey whose registered address is 47 Esplanade, St. Helier, JE1 0BD.

The company is included in the consolidated accounts of CareTech Holdings Limited, a company incorporated in England and Wales whose registered address is Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire EN6 1AG.

# BEACON CARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### 13 Financial instruments

These are designed to reduce the financial risks faced by the company, which primarily relate to credit, interest and liquidity risks, which arise in the normal course of the company's business.

##### **Credit risk**

Financial instruments which potentially expose the company to credit risk consist primarily of cash equivalents and trade receivables. Cash equivalents are deposited only with major financial institutions that satisfy certain credit criteria.

Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are carried out on all significant prospective customers and all existing customers requiring credit beyond a certain threshold. Varying approval levels are set on the extension of credit depending upon the value of the sale.

Where the credit risk is deemed to have risen to an unacceptable level, remedial actions including the variation of terms of trade are implemented under the guidance of senior management until the level of credit risk has been normalised.

The company provides credit to customers in the normal course of business with a provision for specific doubtful receivables. The balance includes the amounts considered recoverable which also equals their fair value. The company does not require collateral in respect of financial assets. During the year there was no charge to the income statement for bad or doubtful debts (30 September 2021: £Nil).

At the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

##### **Interest rate risk**

The company finances its operations through called up share capital, retained profits, intergroup borrowings and bank borrowings. The company's income is by its nature relatively stable and its growth is, inter alia, impacted by inflation. Company policy is to balance interest rate fixes between the short, medium and long term. The benchmark rate for bank borrowings is SONIA.

##### **Liquidity Risk**

The company prepares annual cash flow forecasts reflecting known commitments and anticipated projects. Borrowing facilities are arranged as necessary to finance requirements. The wider group has available bank and overdraft facilities, sufficient, with cash flow from profits, to fund present commitments. Term facilities are utilised to fund capital expenditure and short term flexibility is achieved by the utilisation of overdraft facilities in respect of financial liabilities. There were no contractual cash flow maturities at 30 September 2022 (30 September 2021: £Nil).

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## **BEACON CARE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 30 SEPTEMBER 2022***

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#### **Capital risk management**

The company manages its capital to ensure that activities of the company will be able to continue as going concerns whilst maximising returns for stakeholders through the optimisation of debt and equity. The company does not currently have any external debt and details of the company's equity are disclosed in the Statement of Financial Position.

#### **Foreign currency risk**

The company operates entirely in the UK and is not exposed to any foreign currency risks.

#### **Sensitivity analysis**

In managing interest rate risks the company aims to reduce the impact of short-term fluctuations on the company's earnings. Over the longer-term, however, permanent changes in interest rates would have an impact on earnings. However, the wider group's financing arrangements mean that there is not expected to be a significant impact from interest rate changes on the company

#### **Fair values**

Book values are considered to be equivalent to fair values.