

NORTHERN CARE HOMES LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 FEBRUARY 2021 TO 7 NOVEMBER 2021

Northern Care Homes Limited

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Northern Care Homes Limited

Company Information

Directors	C Ball A Welsh C J Storr E H McNeill K J Maddin
Registered office	C/O Browne Jacobson LLP Victoria Square House Victoria Square Birmingham England B2 4BU
Accountants	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

Northern Care Homes Limited

Directors' Report for the Period from 1 February 2021 to 7 November 2021

The directors present their report and the financial statements for the period from 1 February 2021 to 7 November 2021.

Directors of the company

The directors who held office during the period were as follows:

C Tilley (resigned 8 November 2021)

L F Tilley (resigned 8 November 2021)

The following directors were appointed after the period end:

C Ball (appointed 8 November 2021)

A Welsh (appointed 8 November 2021)

C J Storr (appointed 8 November 2021)

E H McNeill (appointed 8 November 2021)

K J Maddin (appointed 8 November 2021)

Principal activity

The principal activity of the company is the provision of residential nursing care facilities.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 26 September 2022 and signed on its behalf by:

C J Storr
Director

Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited Statutory Accounts of Northern Care Homes Limited for the Period Ended 7 November 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Northern Care Homes Limited for the period ended 7 November 2021 as set out on pages 4 to 13 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/regulation>.

This report is made solely to the Board of Directors of Northern Care Homes Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Northern Care Homes Limited and state those matters that we have agreed to state to the Board of Directors of Northern Care Homes Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Northern Care Homes Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Northern Care Homes Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Northern Care Homes Limited. You consider that Northern Care Homes Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the accounts of Northern Care Homes Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

26 September 2022

Northern Care Homes Limited

Profit and Loss Account for the Period from 1 February 2021 to 7 November 2021

	Note	1 February 2021 to 7 November 2021 £	Year ended 31 January 2021 £
Turnover		1,273,340	1,667,993
Cost of sales		<u>(715,446)</u>	<u>(892,529)</u>
Gross profit		557,894	775,464
Administrative expenses		(252,639)	(388,216)
Other operating income		<u>66,085</u>	<u>-</u>
Operating profit		371,340	387,248
Other interest receivable and similar income		26	245
Interest payable and similar charges		<u>(3,514)</u>	<u>(6,636)</u>
Profit before tax		367,852	380,857
Taxation	<u>4</u>	<u>(73,839)</u>	<u>(69,306)</u>
Profit for the financial period		<u><u>294,013</u></u>	<u><u>311,551</u></u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the year.

Northern Care Homes Limited

(Registration number: 03306217)

Balance Sheet as at 7 November 2021

	Note	7 November 2021 £	31 January 2021 £
Fixed assets			
Tangible assets	<u>5</u>	1,442,106	1,396,435
Current assets			
Stocks		1,250	1,250
Debtors	<u>6</u>	1,173,383	1,160,034
Cash at bank and in hand		483,621	368,339
		<u>1,658,254</u>	<u>1,529,623</u>
Creditors: Amounts falling due within one year	<u>7</u>	(434,644)	(375,764)
Net current assets		<u>1,223,610</u>	<u>1,153,859</u>
Total assets less current liabilities		2,665,716	2,550,294
Creditors: Amounts falling due after more than one year	<u>7</u>	-	(190,730)
Deferred tax liabilities	<u>8</u>	(34,691)	(22,552)
Net assets		<u>2,631,025</u>	<u>2,337,012</u>
Capital and reserves			
Called up share capital	<u>10</u>	4	4
Profit and loss account		<u>2,631,021</u>	<u>2,337,008</u>
Total equity		<u>2,631,025</u>	<u>2,337,012</u>

For the financial period ending 7 November 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 26 September 2022 and signed on its behalf by:

C J Storr
Director

The notes on pages 7 to 13 form an integral part of these financial statements.

Northern Care Homes Limited

Statement of Changes in Equity for the Period from 1 February 2021 to 7 November 2021

	Share capital £	Profit and loss account £	Total £
At 1 February 2021	4	2,337,008	2,337,012
Profit for the period	-	294,013	294,013
At 7 November 2021	4	2,631,021	2,631,025

	Share capital £	Profit and loss account £	Total £
At 1 February 2020	4	2,049,457	2,049,461
Profit for the period	-	311,551	311,551
Dividends	-	(24,000)	(24,000)
At 31 January 2021	4	2,337,008	2,337,012

The notes on pages 7 to 13 form an integral part of these financial statements.

Northern Care Homes Limited

Notes to the Unaudited Financial Statements for the Period from 1 February 2021 to 7 November 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
C/O Browne Jacobson LLP
Victoria Square House
Victoria Square
Birmingham
England
B2 4BU

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Disclosure of long or short period

The financial statements cover a period of 281 days. The accounting period has been shortened to bring the year end in line with the date of acquisition by Autograph Care Group Holdings Limited, the company's new parent undertaking.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Judgements

These financial statements do not contain any significant judgements or estimation uncertainty.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Northern Care Homes Limited

Notes to the Unaudited Financial Statements for the Period from 1 February 2021 to 7 November 2021

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land and buildings	Not depreciated
Furniture, fittings and equipment	15% reducing balance

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Northern Care Homes Limited

Notes to the Unaudited Financial Statements for the Period from 1 February 2021 to 7 November 2021

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Northern Care Homes Limited

Notes to the Unaudited Financial Statements for the Period from 1 February 2021 to 7 November 2021

3 Staff numbers

The average number of persons employed by the company (including directors) during the period, was 54 (year ended 31 January 2021 - 54).

4 Taxation

Tax charged/(credited) in the profit and loss account

	1 February 2021 to 7 November 2021 £	Year ended 31 January 2021 £
Current taxation		
UK corporation tax	61,700	69,762
UK corporation tax adjustment to prior periods	-	(456)
	<u>61,700</u>	<u>69,306</u>
Deferred taxation		
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	12,139	-
	<u>73,839</u>	<u>69,306</u>
Tax expense in the profit and loss account		

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost			
At 1 February 2021	1,263,487	585,838	1,849,325
Additions	<u>4,200</u>	<u>65,420</u>	<u>69,620</u>
At 7 November 2021	<u>1,267,687</u>	<u>651,258</u>	<u>1,918,945</u>
Depreciation			
At 1 February 2021	22,245	430,645	452,890
Charge for the year	<u>1,856</u>	<u>22,093</u>	<u>23,949</u>
At 7 November 2021	<u>24,101</u>	<u>452,738</u>	<u>476,839</u>
Carrying amount			
At 7 November 2021	<u>1,243,586</u>	<u>198,520</u>	<u>1,442,106</u>
At 31 January 2021	<u>1,241,242</u>	<u>155,193</u>	<u>1,396,435</u>

Included within the net book value of land and buildings above is £1,243,586 (31 January 2021 - £1,241,242) in respect of freehold land and buildings.

Northern Care Homes Limited

Notes to the Unaudited Financial Statements for the Period from 1 February 2021 to 7 November 2021

6 Debtors

	Note	7 November 2021 £	31 January 2021 £
Trade debtors		28,215	23,110
Amounts owed by related parties		1,122,917	1,123,844
Prepayments		21,048	13,080
Other debtors		1,203	-
		<u>1,173,383</u>	<u>1,160,034</u>

7 Creditors

	Note	7 November 2021 £	31 January 2021 £
Due within one year			
Loans and borrowings	9	215,730	104,146
Trade creditors		44,639	122,314
Social security and other taxes		10,321	8,322
Other creditors		70,445	414
Accrued expenses		31,809	70,806
Corporation tax liability		61,700	69,762
		<u>434,644</u>	<u>375,764</u>

	Note	2021 £	2021 £
Due after one year			
Loans and borrowings	9	-	190,730

8 Deferred tax

Deferred tax assets and liabilities

	Liability £
7 November 2021	
Accelerated tax depreciation	34,691
	<u>34,691</u>
31 January 2021	
Accelerated tax depreciation	22,552
	<u>22,552</u>

Northern Care Homes Limited

Notes to the Unaudited Financial Statements for the Period from 1 February 2021 to 7 November 2021

9 Loans and borrowings

	2021 £	2021 £
Current loans and borrowings		
Bank borrowings	215,730	100,000
Other borrowings	-	4,146
	<u>215,730</u>	<u>104,146</u>

	2021 £	2021 £
Non-current loans and borrowings		
Bank borrowings	-	190,730
	<u>-</u>	<u>190,730</u>

10 Share capital

Allotted, called up and fully paid shares

	7 November 2021		31 January 2021	
	No.	£	No.	£
Ordinary shares of £1 each	4	4	4	4
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

11 Parent and ultimate parent undertaking

Up to 8 November 2021, the company was a wholly owned subsidiary of Northern Care Homes (Stonewood) Limited, incorporated in England and Wales which up until that date was controlled by Mr L Tilley and Mrs C Tilley. Since that date, the ultimate parent Company has been Autograph Care Group Holdings Limited, 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.