

**INDEPENDENCE HOMES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 APRIL 2021 TO 30 SEPTEMBER 2022**

Hazlewoods LLP  
Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT

**INDEPENDENCE HOMES LIMITED**

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## **INDEPENDENCE HOMES LIMITED**

### **Company Information**

<b>Directors</b>	W M Irving K Lineker
<b>Registered office</b>	1 Suffolk Way Sevenoaks Kent TN13 1YL
<b>Auditors</b>	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

## **INDEPENDENCE HOMES LIMITED**

### **Directors' Report for the Period from 1 April 2021 to 30 September 2022**

The directors present their report and the financial statements for the period from 1 April 2021 to 30 September 2022.

#### **Directors of the company**

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

W M Irving (appointed 6 April 2021)

K Lineker

S T S Shiong (appointed 6 April 2021 and Resigned 12 June 2023)

S Chrystal (resigned 20 December 2021)

#### **Financial instruments**

##### ***Objectives and policies***

The board constantly monitors the company's trading results and revise projections as appropriate to ensure that the company can meet its future obligations as they fall due.

##### ***Price risk, credit risk, liquidity risk and cash flow risk***

The company is exposed to the usual credit and cash flow risks associated with selling on credit and manages this through credit control procedures.

In accordance with the Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009', the directors of all companies are now required to provide disclosures regarding the adoption of the going concern basis of accounting.

The company has sufficient resources available and the directors have prepared forecasts for the next 12 months that indicate that this will continue to be the case and that these cash flows will be sufficient for the company to meet its financing commitments as they fall due. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

#### **Employment of disabled persons**

The company's policy is to consider the recruitment of disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

#### **Employee involvement**

The group encourages the involvement of employees in its management through regular departmental meetings. Further information has been included in the Strategic Report.

#### **Engagement with Suppliers, Customers and Others**

As part of the company's commitment to maintaining an excellent reputation and achieving high standards, it continually engages with its suppliers, customers and other stakeholders. Engagements with suppliers are aimed at ensuring that suppliers provide quality goods and services, in a timely manner, at a cost that is fair and equitable to both parties. Engagements with our customers ensure that the company continues to provide a quality service to our customers that is value for money. It is critical that we meet the needs of our customers and ongoing engagement allows us to monitor these needs and adapt our services in a way that maintains customer satisfaction and ensures the sustainable growth of our business. Our engagement with other stakeholders includes engagement with our local communities, where our reputation remains critical to the ongoing success of the group as a whole.

#### **Future developments**

The external environment is expected to remain competitive going forwards, however, the directors remain confident that the group will continue to improve its current level of performance in the future and will continue to trade as a going concern for the reasons detailed in Note 2 to the financial statements.

## **INDEPENDENCE HOMES LIMITED**

### **Directors' Report for the Period from 1 April 2021 to 30 September 2022**

#### **Disclosure of information to the auditors**

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

#### **Reappointment of auditors**

Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on 30 June 2023 and signed on its behalf by:

K Lineker  
Director

## **INDEPENDENCE HOMES LIMITED**

### **Strategic Report for the Period from 1 April 2021 to 30 September 2022**

The directors present their strategic report for the period from 1 April 2021 to 30 September 2022. The comparative period is for the year ended 31 March 2021.

#### **Principal activity**

The principal activity of the company is that of operating care homes, a domiciliary care agency and providing healthcare training and consultancy services.

#### **Fair review of the business**

The results for the 18 month period, which are set out in the profit and loss account, show turnover of £27,759,2017 (year ended 31 March 2021 - £19,174,095) and an operating profit of £5,555,328 (year ended 31 March 2021 - £6,446,109). At 30 September 2022, the company had net assets of £48,551,869 (31 March 2021 - £42,086,111).

The directors consider the performance for the period and the financial position at the period end to be satisfactory.

#### **Key Performance Indicators**

The company uses a number of indicators to monitor and improve the position of the business. Indicators are reviewed and altered to meet changes both in the internal and external environments. Key performance indicators, other than the financial results which in the opinion of the Directors does not require further comment, include the hours of care provided and the occupancy levels within care homes. The Directors are satisfied with the position of these indicators at the end of the financial period and believe that the prospects for the company are positive.

#### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to the continued provision of adequate government funding and ongoing compliance with current and future legislation affecting the sector.

- Overall, UK government spending remains subject to tight control. Whilst budget cuts are announced in other areas, an increase in demand for UK adult social care continues to be reflected in spending decisions.
- We believe that the key means of delivery of care must inevitably remain through the private sector due to the long-standing structures and relationships built up over many years.
- We also believe that the political importance of the sector means that the government will ensure that providers retain access to a supply of labour from outside the UK, including post Brexit.
- The rise in UK inflation during the reporting period has generated a degree of pressure on the cost base of the business; this has been partly mitigated by consolidating the wider group's energy and other significant procurement contracts. Rises in National Living Wage also contribute to increases in costs. Government departments continue to ensure adequate financial support to ensure ongoing services provision for the individuals in our care

#### **Streamlined Energy and Carbon Reporting**

No carbon reporting statement has been presented in these accounts as the directors have elected to take the exemption in reporting on the basis that the company has been included in the reporting included in the consolidated financial statements of Ruby Holdco Limited, the most senior parent undertaking in the Group producing consolidated financial statements.

## **INDEPENDENCE HOMES LIMITED**

### **Strategic Report for the Period from 1 April 2021 to 30 September 2022**

#### **Section 172 statement**

The Directors believe that they have effectively implemented their duties under section 172 of the Companies Act 2006. The Directors have considered the long-term strategy of the Company to generate value for the shareholder by providing, progressive, personalised care pathways that combine clinical expertise, personal support, and therapeutic and rehabilitation services and consider that this strategy will continue to deliver long term success to the Company and its stakeholders.

The Directors recognise the importance of wider stakeholders in delivering their strategy and achieving sustainability within the Company and the wider Group. The main stakeholders in the Company are considered to be the ultimate shareholders, employees, suppliers and customers. Their importance to the business is considered below.

The Company is committed to maintaining an excellent reputation and strives to achieve high standards. Our relationships with our suppliers, employees and customers are all interlinked in that by treating our suppliers fairly and having the right suppliers ensures that our staff are able to operate in a conducive environment while ensuring customers' needs are met. By ensuring that we have the correct suppliers supplying the right quality of goods or services, coupled with quality staff working in optimal environments, we can ensure that service offered to our customers is of a high quality and standard resulting in continued support in our business. Each of these combined ultimately aims to result in a sustainable business and continued return for our shareholder.

The Company is regulated by the Care Quality Commission (CQC) who perform inspections at least once every 5 years however, the CQC could inspect any provider at any point in time irrespective of rating and inspections are almost always unannounced. In order to maintain acceptable levels and standards of care, we continually monitor our care levels in order to ensure that we maintain a high level of service and care at all times. During the year, our inspection reports for certain of our services indicated that improvements were required which has resulted in changes being made and action being taken in order to rectify any shortcomings in the quality of our service and care.

#### **Employee involvement**

Our staff are treated with respect and dignity. Clear objectives are set for staff in terms of performance and in order to facilitate performance, the Company ensures that that our staff are able to work in an environment that is conducive to achieving those goals in a way that is fair and equitable.

The Company encourages the involvement of employees in its management through regular departmental meetings thus ensuring that meaningful change occurs at a localised level depending on the needs of employees and the business. It is at these meetings where employees are made aware of any changes to the business which may impact on the employees or their working environment.

Approved by the Board on 30 June 2023 and signed on its behalf by:

K Lineker  
Director

## **INDEPENDENCE HOMES LIMITED**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Directors' Report, Strategic 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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



## **INDEPENDENCE HOMES LIMITED**

### **Independent Auditor's Report to the Members of Independence Homes Limited**

#### **Opinion**

We have audited the financial statements of Independence Homes Limited (the 'company') for the period from 1 April 2021 to 30 September 2022, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2022 and of its profit for the period 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's 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 original financial statements were authorised for issue.

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

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## **INDEPENDENCE HOMES LIMITED**

### **Independent Auditor's Report to the Members of Independence Homes Limited**

#### **Opinion on other matter 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 and the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, 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.

#### **Auditor's 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 auditor's 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.

## **INDEPENDENCE HOMES LIMITED**

### **Independent Auditor's Report to the Members of Independence Homes Limited**

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:

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Owing to the inherent limitations of an audit, there is unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISA's (UK). In identifying and assessing risks of material mis-statement in respect of fraud, including irregularities and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the company's operations. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006 and taxation laws.
- We understood how the company is complying with those legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur.

Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process. Detailed analysis of journals posted through the accounting system during the period to 30 September 2022 has been undertaken;
- Understanding the controls in place to prevent and detect fraud. Reliance was not placed on controls for the entirety of the audit, instead taking a substantive testing approach, however controls were in place to prevent fraud, and they appeared to be working effectively;
- Challenging assumptions and judgements made by management in its significant accounting estimates.

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 auditor's report.

#### **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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Howard (Senior Statutory Auditor)

For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House

Bayshill Road

Cheltenham

GL50 3AT

30 June 2023

# INDEPENDENCE HOMES LIMITED

## Profit and Loss Account for the Period from 1 April 2021 to 30 September 2022

	Note	1 April 2021 to 30 September 2022 £	Year ended 31 March 2021 £
Turnover	<u>3</u>	27,759,217	19,174,095
Cost of sales		<u>(13,228,509)</u>	<u>(8,672,363)</u>
Gross profit		14,530,708	10,501,732
Administrative expenses		(8,811,979)	(3,894,002)
Exceptional items	<u>6</u>	(163,401)	(173,454)
Other operating income	<u>4</u>	-	11,833
Operating profit	<u>5</u>	5,555,328	6,446,109
Other interest receivable and similar income	<u>7</u>	1,218,895	-
Interest payable and similar charges	<u>8</u>	<u>(126,353)</u>	<u>(607,268)</u>
Profit before tax		6,647,870	5,838,841
Taxation	<u>12</u>	<u>(182,112)</u>	<u>(950,805)</u>
Profit for the financial period		<u>6,465,758</u>	<u>4,888,036</u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the period.

The notes on pages 13 to 22 form an integral part of these financial statements.

# INDEPENDENCE HOMES LIMITED

(Registration number: 03419025)

Balance Sheet as at 30 September 2022

	Note	30 September 2022 £	31 March 2021 £
<b>Fixed assets</b>			
Tangible assets	<u>14</u>	<u>50,677,108</u>	<u>48,968,808</u>
		<u>50,677,108</u>	<u>48,968,808</u>
<b>Current assets</b>			
Debtors; Amounts falling due within one year	<u>15</u>	4,403,227	2,805,491
Debtors: Amounts falling due after more than one year	<u>15</u>	20,295,230	-
Cash at bank and in hand		<u>285,246</u>	<u>97,514</u>
		24,983,703	2,903,005
Creditors: Amounts falling due within one year	<u>16</u>	<u>(3,351,006)</u>	<u>(1,967,765)</u>
Net current assets		<u>21,632,697</u>	<u>935,240</u>
Total assets less current liabilities		72,309,805	49,904,048
Creditors: Amounts falling due after more than one year	<u>16</u>	<u>(19,476,071)</u>	<u>(3,536,072)</u>
Provisions for liabilities	<u>12</u>	<u>(4,281,865)</u>	<u>(4,281,865)</u>
Net assets		<u>48,551,869</u>	<u>42,086,111</u>
<b>Capital and reserves</b>			
Called up share capital	<u>19</u>	1,200	1,200
Revaluation reserve		22,996,051	22,996,051
Profit and loss account		<u>25,554,618</u>	<u>19,088,860</u>
Total equity		<u>48,551,869</u>	<u>42,086,111</u>

Approved and authorised by the Board on 30 June 2023 and signed on its behalf by:

K Lineker  
Director

The notes on pages 13 to 22 form an integral part of these financial statements.

# INDEPENDENCE HOMES LIMITED

## Statement of Changes in Equity for the Period from 1 April 2021 to 30 September 2022

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 April 2021	1,200	22,996,051	19,088,860	42,086,111
Profit for the period	-	-	6,465,758	6,465,758
At 30 September 2022	1,200	22,996,051	25,554,618	48,551,869

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 April 2020	1,200	22,996,051	14,200,824	37,198,075
Profit for the year	-	-	4,888,036	4,888,036
At 31 March 2021	1,200	22,996,051	19,088,860	42,086,111

The notes on pages 13 to 22 form an integral part of these financial statements.

# **INDEPENDENCE HOMES LIMITED**

## **Notes to the Financial Statements for the Period from 1 April 2021 to 30 September 2022**

### **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:

1 Suffolk Way  
Sevenoaks  
Kent  
TN13 1YL

### **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 were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **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.

#### **Summary of disclosure exemptions**

The company has not presented a cash flow statement on the grounds that the company is a wholly owned subsidiary and a group cash flow statement is included in the financial statements of the ultimate parent company.

#### **Name of parent of group**

These financial statements are consolidated in the financial statements of Ruby Holdco Limited.

The financial statements of Ruby Holdco Limited may be obtained from Companies House

#### **Disclosure of long or short period**

The financial statements cover a period of 548 days. The accounting period has been lengthened to bring the year end in line with that of its ultimate parent undertaking, Ruby Holdco Limited.

#### **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 and estimation uncertainty**

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 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.

## INDEPENDENCE HOMES LIMITED

### Notes to the Financial Statements for the Period from 1 April 2021 to 30 September 2022

#### 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.

#### 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 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 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 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 balance sheet 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, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land	Not depreciated
Freehold buildings	2% straight line
Fixtures and fittings	20% straight line
Motor vehicles	33% straight line

#### Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Trade debtors

Trade debtors are amounts due from customers for 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.



## **INDEPENDENCE HOMES LIMITED**

### **Notes to the Financial Statements for the Period from 1 April 2021 to 30 September 2022**

#### **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.

#### **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. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **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.

#### **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.

## INDEPENDENCE HOMES LIMITED

### Notes to the Financial Statements for the Period from 1 April 2021 to 30 September 2022

#### 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.

## INDEPENDENCE HOMES LIMITED

### Notes to the Financial Statements for the Period from 1 April 2021 to 30 September 2022

#### 3 Revenue

The total turnover of the company has been derived from its principal activity wholly undertaken in the United Kingdom.

#### 4 Other operating income

The analysis of the company's other operating income for the period is as follows:

	1 April 2021 to 30 September 2022 £	Year ended 31 March 2021 £
COVID grant income	-	11,833

#### 5 Operating profit

Arrived at after charging:

	1 April 2021 to 30 September 2022 £	Year ended 31 March 2021 £
Depreciation expense	1,950,364	1,305,202
Operating lease expense - property	999,208	687,575

#### 6 Exceptional items

	1 April 2021 to 30 September 2022 £	Year ended 31 March 2021 £
Exceptional expenses	163,401	173,454

Exceptional items in the current period relate to restructuring costs, costs associated with aborted acquisitions, integration costs and COVID-19 related expenditure.

Exceptional items in the prior year consisted of restructuring costs and COVID-19 related expenditure.

#### 7 Other interest receivable and similar income

	1 April 2021 to 30 September 2022 £	Year ended 31 March 2021 £
Interest receivable from group undertakings	1,217,833	-
Interest income on bank deposits	1,062	-
	1,218,895	-

## INDEPENDENCE HOMES LIMITED

### Notes to the Financial Statements for the Period from 1 April 2021 to 30 September 2022

#### 8 Interest payable and similar expenses

	1 April 2021 to 30 September 2022 £	Year ended 31 March 2021 £
Interest on bank overdrafts and borrowings	-	1,681
Interest on obligations under finance leases and hire purchase contracts	126,353	-
Interest payable to group undertakings	-	605,587
	<u>126,353</u>	<u>607,268</u>

#### 9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	1 April 2021 to 30 September 2022 £	Year ended 31 March 2021 £
Wages and salaries	10,682,767	8,022,069
Social security costs	749,588	623,693
Pension costs, defined contribution scheme	199,845	136,231
	<u>11,632,200</u>	<u>8,781,993</u>

The average number of persons employed by the company (including directors) during the period was as follows:

	1 April 2021 to 30 September 2022 No.	Year ended 31 March 2021 No.
Employees	<u>3</u>	<u>330</u>

#### 10 Directors' remuneration

During the year, the remuneration for all directors were borne by other group companies.

#### 11 Auditors' remuneration

	1 April 2021 to 30 September 2022 £	Year ended 31 March 2021 £
Audit of the financial statements	<u>13,675</u>	<u>12,900</u>

# INDEPENDENCE HOMES LIMITED

## Notes to the Financial Statements for the Period from 1 April 2021 to 30 September 2022

### 12 Taxation

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

	1 April 2021 to 30 September 2022 £	Year ended 31 March 2021 £
<b>Current taxation</b>		
UK corporation tax	182,112	1,038,190
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	-	(87,385)
Tax expense in the income statement	<u>182,112</u>	<u>950,805</u>

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	1 April 2021 to 30 September 2022 £	Year ended 31 March 2021 £
Profit before tax	<u>6,647,870</u>	<u>5,838,841</u>
Corporation tax at standard rate	1,263,095	1,109,380
Tax decrease from other short-term timing differences	-	(87,385)
Tax decrease arising from group relief	<u>(1,080,983)</u>	<u>(71,190)</u>
Total tax charge	<u>182,112</u>	<u>950,805</u>

### Deferred tax

Deferred tax assets and liabilities

	Liability £
<b>30 September 2022</b>	
Accelerated capital allowances	259,903
Revaluations	<u>4,021,962</u>
	<u>4,281,865</u>
<b>31 March 2021</b>	
Accelerated capital allowances	259,903
Revaluations	<u>4,021,962</u>
	<u>4,281,865</u>

# INDEPENDENCE HOMES LIMITED

## Notes to the Financial Statements for the Period from 1 April 2021 to 30 September 2022

### 13 Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 April 2021 and at 30 September 2022	100,000
<b>Amortisation</b>	
At 1 April 2021 and at 30 September 2022	100,000
<b>Carrying amount</b>	
At 31 March 2021 and at 30 September 2022	-

### 14 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Assets under construction £	Total £
<b>Cost or valuation</b>					
At 1 April 2021	52,520,965	2,759,981	302,599	-	55,583,545
Additions	1,715,093	730,202	20,040	1,253,004	3,718,339
Disposals	-	(5,526)	-	-	(5,526)
Transfers	(240,426)	-	-	240,426	-
At 30 September 2022	53,995,632	3,484,657	322,639	1,493,430	59,296,358
<b>Depreciation</b>					
At 1 April 2021	3,949,769	2,362,369	302,599	-	6,614,737
Charge for the period	1,559,156	442,894	4,453	-	2,006,503
Eliminated on disposal	-	(1,990)	-	-	(1,990)
At 30 September 2022	5,508,925	2,803,273	307,052	-	8,619,250
<b>Carrying amount</b>					
At 30 September 2022	48,486,707	681,384	15,587	1,493,430	50,677,108
At 31 March 2021	48,330,770	397,612	-	240,426	48,968,808

### Assets held under finance leases

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases:

	2022 £	2021 £
Land and buildings	48,486,707	-

# INDEPENDENCE HOMES LIMITED

## Notes to the Financial Statements for the Period from 1 April 2021 to 30 September 2022

### 15 Debtors

	30 September 2022 £	31 March 2021 £
Trade debtors	3,946,861	2,183,209
Other debtors	192,861	547,374
Prepayments	263,505	74,908
Amounts owed by group undertakings	20,295,230	-
	24,698,457	2,805,491
Less non-current portion	(20,295,230)	-
Total current trade and other debtors	4,403,227	2,805,491

### Details of non-current trade and other debtors

£20,295,230 (2021 - £Nil) of amounts owed by group undertakings is classified as non-current.

### 16 Creditors

	Note	30 September 2022 £	31 March 2021 £
<b>Due within one year</b>			
Trade creditors		63,517	49,297
Social security and other taxes		4,195	120,701
Other creditors		1,386,148	587,973
Accrued expenses		645,909	575,978
Corporation tax liability		1,018,000	633,816
Deferred income		233,237	-
		3,351,006	1,967,765
<b>Due after one year</b>			
Loans and borrowings	17	19,476,071	-
Amounts owed to group undertakings		-	3,536,072
		19,476,071	3,536,072

### 17 Loans and borrowings

	30 September 2022 £	31 March 2021 £
<b>Non-current loans and borrowings</b>		
Finance lease liabilities	19,476,071	-

Finance lease liabilities include £19,476,071 (31 March 2021 - £Nil) of borrowings in respect of ground rent agreements entered into during the period. These liabilities are shown net of debt costs of £421,112 and are repayable in monthly instalments over 125 years, completing in May 2147 and are secured against the land and buildings to which they relate.

### 18 Pension and other schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £199,845 (2021 - £136,231).



## INDEPENDENCE HOMES LIMITED

### Notes to the Financial Statements for the Period from 1 April 2021 to 30 September 2022

#### 19 Share capital

##### Allotted, called up and fully paid shares

	30 September 2022		31 March 2021	
	No.	£	No.	£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
Ordinary A shares of £1 each	112	112	112	112
Ordinary B shares of £1 each	22	22	22	22
Ordinary C shares of £1 each	66	66	66	66
	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>

#### Rights, preferences and restrictions

The different classes of share referred to above carry separate rights to distribution but, in all other significant respects, rank pari passu.

#### 20 Obligations under leases and hire purchase contracts

##### Finance leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Later than one year and not later than five years	168,800	-
Later than five years	<u>19,307,271</u>	<u>-</u>
	<u>19,476,071</u>	<u>-</u>

##### Operating leases

The total of future minimum lease payments is as follows:

	30 September 2022 £	31 March 2021 £
Not later than one year	533,436	482,010
Later than one year and not later than five years	693,311	1,699,000
Later than five years	<u>-</u>	<u>231,750</u>
	<u>1,226,747</u>	<u>2,412,760</u>

#### 21 Contingent liabilities

The company is bound by an intra-group cross guarantee in respect of bank debt with other members of the group headed by its ultimate parent undertaking, Ruby Holdco Limited. The amount guaranteed is £165,524,000 (2021 - £140,000,000).

#### 22 Parent and ultimate parent undertaking

The company's immediate parent is Active Assistance (UK) Group Limited, incorporated in England and Wales.

The ultimate parent is Ruby Holdco Limited, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Ruby Holdco Limited. These financial statements are available upon request from Companies House.

The ultimate controlling party is Montreux Healthcare Fund.

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