

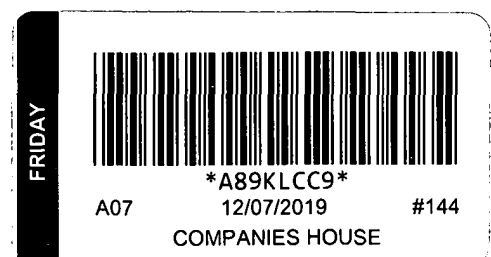
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COMPANY REGISTRATION NUMBER: 03742352

**Springfield Home Care Services Limited**

**Financial statements**

**31 March 2019**



# **Springfield Home Care Services Limited**

## **Financial statements**

**year ended 31 March 2019**

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# **Springfield Home Care Services Limited**

## **Officers and professional advisers**

### **The board of directors**

G S Lee  
P R Phillips

### **Registered office**

2 Fusion Court  
Aberford Road  
Garforth  
Leeds  
LS25 2GH

### **Auditor**

Sagars Accountants Ltd  
Chartered accountants & statutory auditor  
Gresham House  
5-7 St Paul's Street  
Leeds  
LS1 2JG

### **Bankers**

National Westminster Bank Plc  
7 Hustlergate  
Bradford  
West Yorkshire  
BD1 1PP

# **Springfield Home Care Services Limited**

## **Strategic report**

### **year ended 31 March 2019**

#### **Review of Business at year end**

The principal activity of the company during the year was that of the provision of domiciliary care services.

Following on from the previous year's activity and the restructuring of the business, Springfield Home Care Services Ltd has continued to perform well in line with budget expectations.

Important contract wins in one of our two biggest branches, Hull, during the year allowed us the opportunity to continue to consolidate on these important contracts resulting in stability and a solid performance across these and our other five branch locations for another year.

Our focus on negotiating sustainable contracts with our Local Authority partners in these other locations continues and the positive relationship with each of them has been vital to our continued success. These strong local personal relationships we have built with each authority have again helped in our negotiations and improving gross margin for a third successive year after years of decline in margin.

The number of Domiciliary Care providers in the market has continued to shrink as Care Providers, often who are highly leveraged, struggle to make a profit. As a result, they keep exiting the sector or handing back unsustainable contracts across the country. This provides good growth opportunities for Springfield as being a strong regional provider we can move into the space created and work with the Authority to deliver a positive and sustainable contractual outcome.

Our efforts to reduce group overheads, improving our margin and being more efficient in how we operate and collect cash have been very successful throughout the year. This has led to us maintaining the profitability of the business and continues to strengthen the balance sheet further. The continued focus on processes and the investment in our finance team and structure has proved invaluable in our shift in fortunes and successful performance.

This can be seen in the shift in profitability over the last 3 years results despite difficult national sector conditions and the increases in National Minimum Wage (NMW). 2016/17 operating profit £64,479. 2017/18 operating profit £579,503. 2018/19 operating profit £353,753.

We continue to have a positive and supportive banking relationship with Nat West PLC which has now extended for 14 years

#### **Position of the business at year end**

The company continues to deliver high standard quality care services from each of its six branches in Leeds/Wakefield, Hull, Knaresborough/York, Newcastle/North Tyneside, Darlington, and Hartlepool with all 6 branches achieving CQC "Good" ratings.

We will continue to focus on increasing our operational efficiencies and improvement in gross margin across the business.

We will continue to look to shift to more specialised NHS and private healthcare markets whilst maintaining our core strength and dominance in the regional social care market. Our reliance on our banking arrangements will continue to reduce as our balance sheet improves and our ability to generate a cash surplus will continue.

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

The health and social care sector continues to face a number of challenges due to long term under funding from central and local government. This will not be resolved in the short term. Brexit continues to create uncertainty around employment for EU nationals and recruitment of good quality, caring and passionate people is getting harder and harder.

We have successfully signed up, and have been accepted onto, HMRC's Social Care Compliance Scheme in the period. As part of this process we have undertaken a review, covering a number of years, and have paid any arrears due to employees. This has now mitigated risks associated with future NMW claims. We do see this as another area of opportunity for Springfield as we are aware some other providers that may well be exposed to significant financial penalties due to non-compliance in these areas and this could have a further impact on these Care Providers decision or ability to continue to stay in, or to exit, the sector.

In summary, Springfield Home Care has delivered one of its best trading performances in the last five years and has a strong and effective management team in place to continue this trend. Profitability has been maintained year on year and our systems and processes continue to improve. We will continue to work on developing these and embedding all the best

# Springfield Home Care Services Limited

## Strategic report *(continued)*

### year ended 31 March 2019

practices implemented over the last couple of years. We expect to build on this year's success and to continue an improving profitable position moving forward into 2019/20.

Recruiting and retaining good quality care staff will continue to be a key focus of the business as we try and improve the contractual arrangements with them through positive negotiations with our local authority customers. Our staff are our lifeblood and they continue to deliver high quality care to all our service users in often very difficult circumstances and conditions. We will continue to focus our efforts this year on how we look after them and making them feel an integral part of the Springfield Family.

This report was approved by the board of directors on 9 July 2019 and signed on behalf of the board by:



G S Lee  
Director

Registered office:  
2 Fusion Court  
Aberford Road  
Garforth  
Leeds  
LS25 2GH

# **Springfield Home Care Services Limited**

## **Directors' report**

### **year ended 31 March 2019**

The directors present their report and the financial statements of the company for the year ended 31 March 2019.

#### **Directors**

The directors who served the company during the year were as follows:

G S Lee  
P R Phillips

#### **Dividends**

The directors do not recommend the payment of a dividend.

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

Disabled persons are employed and trained whenever their aptitudes and abilities allow and suitable vacancies are available. Where an employee becomes disabled, an attempt is made to continue his or her employment and to arrange appropriate re-training or transfer if necessary.

#### **Employee involvement**

Regular meetings are held involving employees and management at which employees are informed of matters concerning them, company development and financial and economic factors affecting the performance of the company.

#### **Disclosure of information in the strategic report**

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 the profit or loss of the company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

# Springfield Home Care Services Limited

## Directors' report *(continued)*


**year ended 31 March 2019**

### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 9 July 2019 and signed on behalf of the board by:



G S Lee  
Director

Registered office:  
2 Fusion Court  
Aberford Road  
Garforth  
Leeds  
LS25 2GH

# **Springfield Home Care Services Limited**

## **Independent auditor's report to the members of Springfield Home Care Services Limited**

**year ended 31 March 2019**

### **Opinion**

We have audited the financial statements of Springfield Home Care Services Limited (the 'company') for the year ended 31 March 2019 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.



# **Springfield Home Care Services Limited**

## **Independent auditor's report to the members of Springfield Home Care Services Limited** *(continued)*

**year ended 31 March 2019**

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# Springfield Home Care Services Limited

## Independent auditor's report to the members of Springfield Home Care Services Limited *(continued)*

year ended 31 March 2019

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### 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.



Kevin Hault BA, FCA (Senior Statutory Auditor)

For and on behalf of  
Sagars Accountants Ltd  
Chartered accountants & statutory auditor  
Gresham House  
5-7 St Paul's Street  
Leeds  
LS1 2JG

9 July 2019

# Springfield Home Care Services Limited

## Statement of income and retained earnings

year ended 31 March 2019

	Note	2019 £	2018 £
<b>Turnover</b>	<b>4</b>	<b>12,095,475</b>	11,991,637
Cost of sales		<u>(8,087,048)</u>	<u>(7,963,205)</u>
<b>Gross profit</b>		<b>4,008,427</b>	4,028,432
Administrative expenses		<u>(3,635,870)</u>	<u>(3,448,929)</u>
<b>Operating profit</b>	<b>5</b>	<b>372,557</b>	579,503
Interest payable and similar expenses	<b>9</b>	<u>(64,920)</u>	<u>(78,813)</u>
<b>Profit before taxation</b>		<b>307,637</b>	500,690
Tax on profit	<b>10</b>	<u>(65,151)</u>	<u>(17,500)</u>
<b>Profit for the financial year and total comprehensive income</b>		<u><b>242,486</b></u>	<u>483,190</u>
<b>Retained losses at the start of the year</b>		<u><b>(980,633)</b></u>	<u>(1,463,823)</u>
<b>Retained losses at the end of the year</b>		<u><b>(738,147)</b></u>	<u>(980,633)</u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 21 form part of these financial statements.

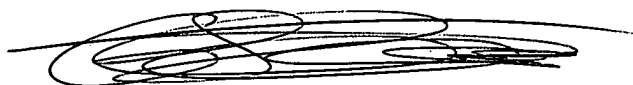
# Springfield Home Care Services Limited

## Statement of financial position

31 March 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	11	264,800	324,883
Tangible assets	12	46,598	41,363
Investments	13	197,738	197,738
		<u>509,136</u>	<u>563,984</u>
<b>Current assets</b>			
Debtors	14	1,866,405	1,845,581
Cash at bank and in hand		122,117	6,241
		<u>1,988,522</u>	<u>1,851,822</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(2,076,058)</u>	<u>(2,007,548)</u>
<b>Net current liabilities</b>		<u>(87,536)</u>	<u>(155,726)</u>
<b>Total assets less current liabilities</b>		<u>421,600</u>	<u>408,258</u>
<b>Creditors: amounts falling due after more than one year</b>	17	<u>(231,858)</u>	<u>(461,002)</u>
<b>Net assets/(liabilities)</b>		<u><u>189,742</u></u>	<u><u>(52,744)</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	19,593	19,593
Share premium account	21	907,575	907,575
Capital redemption reserve	21	721	721
Profit and loss account	21	<u>(738,147)</u>	<u>(980,633)</u>
<b>Shareholders funds/(deficit)</b>		<u><u>189,742</u></u>	<u><u>(52,744)</u></u>

These financial statements were approved by the board of directors and authorised for issue on 9 July 2019, and are signed on behalf of the board by:



G S Lee  
Director

Company registration number: 03742352

The notes on pages 12 to 21 form part of these financial statements.

# Springfield Home Care Services Limited

## Statement of cash flows

year ended 31 March 2019

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Profit for the financial year		242,486	483,190
<i>Adjustments for:</i>			
Depreciation of tangible assets		31,675	38,023
Amortisation of intangible assets		60,083	60,083
Interest payable and similar expenses		64,920	78,813
Tax on profit		65,151	17,500
Accrued expenses/(income)		17,112	(82,759)
<i>Changes in:</i>			
Trade and other debtors		(20,824)	(45,134)
Trade and other creditors		113,621	(136,277)
Cash generated from operations		574,224	413,439
Interest paid		(44,064)	(57,957)
Tax paid		(13,651)	–
Net cash from operating activities		<u>516,509</u>	<u>355,482</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		(36,910)	(20,367)
Net cash used in investing activities		<u>(36,910)</u>	<u>(20,367)</u>
<b>Cash flows from financing activities</b>			
Repayments of borrowings		(141,029)	(160,048)
Repayments of / Proceeds from loans from group undertakings		(4,245)	4,245
Repayments of / Proceeds from loans from participating interests		(188,215)	(65,766)
Net cash used in financing activities		<u>(333,489)</u>	<u>(221,569)</u>
<b>Net increase in cash and cash equivalents</b>		<b>146,110</b>	<b>113,546</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>(23,993)</b>	<b>(137,539)</b>
<b>Cash and cash equivalents at end of year</b>	<b>15</b>	<b><u>122,117</u></b>	<b><u>(23,993)</u></b>

The notes on pages 12 to 21 form part of these financial statements.

# Springfield Home Care Services Limited

## Notes to the financial statements

### year ended 31 March 2019

#### 1. General information

The principal activity of the company during the year was that of the provision of domiciliary home care services.

The company is a private limited company, limited by shares, which is incorporated and registered in England (company number 03742352). The address of the registered office is:

2 Fusion Court  
Aberford Road  
Garforth  
Leeds  
LS25 2GH

#### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

#### 3. Accounting policies

##### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

##### Consolidation

The company has taken advantage of the exemption provided by Section 402 of the Companies Act 2006 not to prepare group accounts on the basis that all of its subsidiary undertakings have been dormant in the period.

##### Going concern

The company has prepared forecasts for the period to 31 March 2020 and subjected these to reasonable sensitivities. Like many businesses the company obtains funding from its bank through a mixture of loan and overdraft facilities. The overdraft facility will fall due for renewal within the next twelve months but from discussions with the bank the directors believe this will continue to be renewed at the existing level.

The forecasts indicate that the cash flows generated from the company's business activities together with the current level of bank loan and overdraft facilities and other funding available will be sufficient to meet the company's requirements and to enable the company to pay its liabilities as they fall due for the foreseeable future. Based on these forecasts the directors consider that the going concern basis of accounting is appropriate to the company.

##### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

# Springfield Home Care Services Limited

## Notes to the financial statements *(continued)*

### year ended 31 March 2019

#### 3. Accounting policies *(continued)*

##### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

##### **Goodwill**

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses.

##### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 10 years on a straight line basis

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings - 33% on a straight line basis

##### **Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

# Springfield Home Care Services Limited

## Notes to the financial statements *(continued)*

year ended 31 March 2019

### 3. Accounting policies *(continued)*

#### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised. Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either 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.

The company only has financial assets and financial liabilities of a kind that would qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement date.

#### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

### 4. Turnover

Turnover arises from:

	2019 £	2018 £
Rendering of services	<u>12,095,475</u>	<u>11,991,637</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.



# Springfield Home Care Services Limited

## Notes to the financial statements *(continued)*

year ended 31 March 2019

### 5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2019 £	2018 £
Amortisation of intangible assets	60,083	60,083
Depreciation of tangible assets	31,675	38,023
Impairment of trade debtors	<u>6,235</u>	<u>(51,813)</u>

### 6. Auditor's remuneration

	2019 £	2018 £
Fees payable for the audit of the financial statements	<u>9,800</u>	<u>9,800</u>

### 7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2019 No.	2018 No.
Administrative staff	75	60
Care delivery staff	<u>641</u>	<u>694</u>
	<u>716</u>	<u>754</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019 £	2018 £
Wages and salaries	9,932,924	9,775,946
Social security costs	613,175	556,916
Other pension costs	<u>74,479</u>	<u>36,685</u>
	<u>10,620,578</u>	<u>10,369,547</u>

The total remuneration for key management personnel, including pension costs totals £139,266 (2018 - £220,788).

### 8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2019 £	2018 £
Remuneration	<u>139,266</u>	<u>180,138</u>

### 9. Interest payable and similar expenses

	2019 £	2018 £
Interest on banks loans and overdrafts	48,895	62,553
Other interest payable and similar charges	<u>16,025</u>	<u>16,260</u>
	<u>64,920</u>	<u>78,813</u>

# Springfield Home Care Services Limited

## Notes to the financial statements *(continued)*

year ended 31 March 2019

### 10. Tax on profit

#### Major components of tax expense

	2019 £	2018 £
<b>Current tax:</b>		
UK current tax expense	69,000	17,500
Adjustments in respect of prior periods	(3,849)	–
Total current tax	<u>65,151</u>	<u>17,500</u>
<b>Tax on profit</b>	<u>65,151</u>	<u>17,500</u>

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Profit on ordinary activities before taxation	307,637	500,690
Profit on ordinary activities by rate of tax	58,451	95,131
Adjustment to tax charge in respect of prior periods	(3,849)	–
Rounding on tax charge	542	49
Unrecognised deferred tax timing differences	1,380	(77,680)
Expenses not deductible for tax purposes	8,627	–
Tax on profit	<u>65,151</u>	<u>17,500</u>

#### Factors that may affect future tax expense

At the year end the company had tax losses available for relief against future trading profits of £nil (2018 - £nil).

### 11. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 April 2018 and 31 March 2019	<u>2,455,133</u>
<b>Amortisation</b>	
At 1 April 2018	2,130,250
Charge for the year	60,083
At 31 March 2019	<u>2,190,333</u>
<b>Carrying amount</b>	
At 31 March 2019	<u>264,800</u>
At 31 March 2018	<u>324,883</u>

# Springfield Home Care Services Limited

## Notes to the financial statements *(continued)*

year ended 31 March 2019

### 12. Tangible assets

	Fixtures and fittings £
<b>Cost</b>	
At 1 April 2018	583,155
Additions	36,910
<b>At 31 March 2019</b>	<b>620,065</b>
<b>Depreciation</b>	
At 1 April 2018	541,792
Charge for the year	31,675
<b>At 31 March 2019</b>	<b>573,467</b>
<b>Carrying amount</b>	
<b>At 31 March 2019</b>	<b>46,598</b>
At 31 March 2018	41,363

### 13. Investments

	Investments in subsidiary undertakings £
<b>Cost</b>	
At 1 April 2018 and 31 March 2019	197,738
<b>Impairment</b>	
At 1 April 2018 and 31 March 2019	—
<b>Carrying amount</b>	
<b>At 31 March 2019</b>	<b>197,738</b>
At 31 March 2018	197,738

#### Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
<b>Subsidiary undertakings</b>		
Positive Life Choices Limited	Ordinary	100
Pathways to Independence (DO) Limited	Ordinary	100
Helping Hands HCS Limited	Ordinary	100

All of the subsidiaries are dormant and have the same registered office as the parent company being 2 Fusion Court, Aberford Road, Garforth, Leeds, LS25 2GH.

# Springfield Home Care Services Limited

## Notes to the financial statements *(continued)*

year ended 31 March 2019

### 14. Debtors

	2019 £	2018 £
Trade debtors	1,541,786	1,694,969
Amounts owed by undertakings in which the company has a participating interest	98,887	–
Prepayments and accrued income	118,644	132,574
Directors loan account	90,744	9,135
Other debtors	16,344	8,903
	<u>1,866,405</u>	<u>1,845,581</u>

### 15. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2019 £	2018 £
Cash at bank and in hand	122,117	6,241
Bank overdrafts	–	(30,234)
	<u>122,117</u>	<u>(23,993)</u>

### 16. Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	275,698	196,961
Trade creditors	135,545	148,017
Amounts owed to group undertakings	197,738	201,983
Amounts owed to undertakings in which the company has a participating interest	–	188,215
Accruals and deferred income	572,545	555,433
Corporation tax	69,000	17,500
Social security and other taxes	168,191	113,374
Invoice discounting facility	526,773	560,150
Other creditors	130,568	25,915
	<u>2,076,058</u>	<u>2,007,548</u>

Included in bank loans and overdrafts is £250,000 of loan notes which are due to Business Growth Fund plc. Repayments are due to start in 2019 when the balance will be repaid in 4 biannual instalments.

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2019 £	2018 £
Bank loans and overdrafts	25,698	196,961
Invoice discounting facility	526,773	560,150
	<u>552,471</u>	<u>757,111</u>

# Springfield Home Care Services Limited

## Notes to the financial statements (continued)

### year ended 31 March 2019

#### 17. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Loan notes	<u>231,858</u>	<u>461,002</u>

The loan notes are due to Business Growth Fund plc. Repayments are due to start in 2019 when the balance will be repaid in 4 biannual instalments.

#### 18. Employee benefits

##### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £74,479 (2018: £36,685).

#### 19. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2019 £	2018 £
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Financial assets that are debt instruments measured at amortised cost	<u>1,868,433</u>	<u>1,719,248</u>
<b>Financial liabilities measured at amortised cost</b>		
Financial liabilities measured at amortised cost	<u>1,999,354</u>	<u>2,337,676</u>

#### 20. Called up share capital

##### Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
A Ordinary shares of £1 each	5,057	5,057.00	5,057	5,057.00
B Ordinary shares of £1 each	721	721.00	721	721.00
A1 Ordinary shares of £1 each	7,779	7,779.00	7,779	7,779.00
Deferred shares of £1 each	6,034	6,034.00	6,034	6,034.00
C Ordinary shares of £1 each	1	1.00	1	1.00
D Ordinary shares of £1 each	1	1.00	1	1.00
	<u>19,593</u>	<u>19,593.00</u>	<u>19,593</u>	<u>19,593.00</u>

The different share classes have equal voting rights apart from deferred shares which have no voting rights. The A ordinary shares have the right to a preferential fixed cash dividend together with full rights to participate in any dividend pro rata. The B ordinary shares have limited rights to participate in a distribution including on a winding up. Full details of the share rights are included in the Articles of Association.

# Springfield Home Care Services Limited

## Notes to the financial statements *(continued)*

### year ended 31 March 2019

#### 21. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

#### 22. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Not later than 1 year	24,316	12,000
Later than 1 year and not later than 5 years	268,816	245,434
Later than 5 years	120,658	184,767
	<u>413,790</u>	<u>442,201</u>

#### 23. Directors' advances, credits and guarantees

At the period end an amount of £90,744 (2018 - £9,135) was owing to the company from one of the directors.

Mr G S Lee has given a personal guarantee to the bank to the value of £200,000 and provided security over selected investment properties he owns personally.

# Springfield Home Care Services Limited

## Notes to the financial statements *(continued)*

### year ended 31 March 2019

#### 24. Related party transactions

The company was under the control of Mr G S Lee throughout the current and previous year. Mr G S Lee is a director and majority shareholder of the company.

##### **Springfield Care Services Limited**

During the year Springfield Home Care Services Limited paid for goods, services, wages and salaries on behalf of Springfield Care Services Limited totalling £1,492,178 which was fully repaid in the year. In addition, interest of £7,950 was charged on loan notes of £200,000 held by Springfield Care Services Limited on behalf of Springfield Home Care Services Limited. At 31 March 2019 there was a balance of £95,267 due from Springfield Care Services Limited, the balance is included in debtor in the accounts (2018 - £188,215 creditor). Springfield Care Services Ltd have provided security to the bank over certain properties.

##### **The Business Growth Fund**

As part of the investment in the company the Business Growth Fund has provided loans totalling £417,000 (2018 - £417,000) which are subject to interest at a rate of 5% per annum, to be repaid in four six monthly instalments commencing September 2019. Deferred interest is charged at 12% per annum compounding. £22,564 (2018 - £19,195) of interest was charged in the year of which £nil (2018 - £nil) was paid and the remainder is included within creditors at the year end.

##### **Springfield Healthcare (The Grange) Limited**

At the year end a balance was owed to the company amounting to £nil (2018 - £160) which is included in debtors. This balance is currently interest free and repayable on demand.

##### **Hartlepool Park Road Properties Limited**

During the year, the company was recharged rent by Hartlepool Park Road Properties Limited and paid for services on behalf of Hartlepool Park Road Properties Limited totalling £24,000 of which Hartlepool reimbursed/offset £30,695. At the year end, £3,620 was due from Hartlepool Park Road Properties Limited, this amount is included within debtors (2018 - £3,533 creditor).

##### **SHG (Care Villages) Limited**

Springfield Home Care Services Limited recharged directors salaries and management recharges and other disbursements totalling £209,564 to SHG (Care Villages) Limited. An amount of £189,035 was reimbursed from SHG (Care Villages) Limited in the year.

At the year end a balance of £35,438 (2018 £34,459) was due from SHG (Care Villages) Limited and is included in debtors and £5,460 (2018 £4,263) was owed to SHG (Care Villages) limited and is included in creditors.

##### **Springfield Court**

At the year end the balance was £nil (2018 - £1,000).

##### **Pathways to Independence Limited**

Pathways to Independence Limited is a 100% subsidiary of the company. At the year end the balance included in creditors was £85,447 (2018 - £85,447).

##### **Helping Hands Limited**

Helping Hands Limited is a 100% subsidiary of the company. At the year end the balance included in creditors was £112,291 (2018 - £112,291).