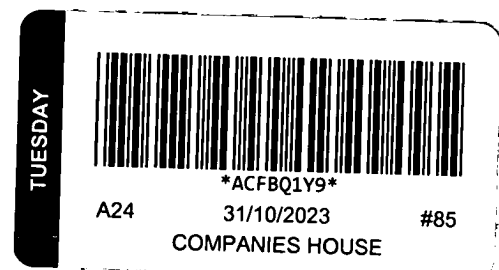


Registered number: 03742352

# **SPRINGFIELD HOME CARE SERVICES LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**



## **SPRINGFIELD HOME CARE SERVICES LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	G S Lee P R Phillips
<b>Registered number</b>	03742352
<b>Registered office</b>	2 Fusion Court Aberford Road Garforth Leeds West Yorkshire LS25 2GH
<b>Independent auditors</b>	Sagars Accountants Ltd Chartered accountants & statutory auditor Gresham House 5-7 St Pauls Street Leeds LS1 2JG
<b>Bankers</b>	National Westminster Bank Plc Bradford West Yorkshire BD1 1PP

## **SPRINGFIELD HOME CARE SERVICES LIMITED**

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## **SPRINGFIELD HOME CARE SERVICES LIMITED**

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

#### **Introduction**

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

#### **Business review**

Springfield Home Care Services Ltd has had a successful year and is recovering well after the challenging conditions we faced during COVID-19.

Our focus on negotiating sustainable contracts with our Local Authority partners continues and the positive relationship with each of them has been vital to our continued success. These strong relationships with each authority have helped in our negotiations for better contract terms, which enable us to offer improved employment benefits and terms for our valued care staff and ensure we have retained a strong Gross Margin.

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

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

We also continue to grow our Live In Service and this remains a key focus, whilst maintaining our core strength and dominance in the regional social care market.

Last year our implementation of Access, our chosen rostering software which gives greater visibility and reporting for our teams. This investment into electronic call monitoring software, technology and mobile devices is evidence of our continued commitment to our industry, customers, and employees, to offer them the most up to date working methods available, which ultimately enhance the care services we provide.

An important contract win was attained with South Tyneside Council, which commenced in the final stages of the year on 27th March 2023. This is a substantial contract and positions the business well for the Financial Year ahead.

Our Balance Sheet has strengthened during the year and this is set to continue.

#### **Employee Consultation**

Providing up to date and relevant company information is done through a variety of mediums to ensure communication with all employees is maintained:

- regular business review meetings with all managers to provide company performance and progress updates, which they cascade to their teams;
- employee performance reviews and 1:1 meetings are completed throughout the year;
- consultation meetings as and when required, for any matter that will directly affect an employee;
- we continue to have our "My Springfield" app, to provide an instant communication platform for both the company and employees
- regular communication by email direct to all employees
- instant communications through the Access App to care workers via a Company provided mobile device

## **SPRINGFIELD HOME CARE SERVICES LIMITED**

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

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

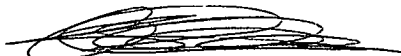
The health and social care sector continues to face a number of challenges around staffing. Other industries offer similar rates of pay, therefore, we still face challenges in retention and recruitment. We cooperated in the Governments Fair Cost of Care exercise to support in ensuring that the domiciliary market is sustainable and able to offer care workers better terms and conditions.

Domiciliary care remains the most accessible and best value option of caring for people in the community. Our position has been strengthened by the new contract with South Tyneside Council and also with our continued supportive relationships with our Existing Local authority Partners.

#### **Financial Key Performance Indicators**

Financial Key Performance Indicators are covered within the wider Strategic report and Directors report.

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



**G S Lee**  
Director

Date: 23 October 2023

## **SPRINGFIELD HOME CARE SERVICES LIMITED**

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

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

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

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

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

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

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

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

#### **Results and dividends**

The profit for the year, after taxation, amounted to £333,664 (2022 - £114,155).

The directors do not recommend the payment of a dividend.

#### **Directors**

The directors who served during the year were:

G S Lee  
P R Phillips

#### **Future developments**

The company is trying to strategically grow through new Local Authority opportunities. Building on the growth in the current year with more significant contract wins.

#### **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.

#### **Disabled employees**

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.

## **SPRINGFIELD HOME CARE SERVICES LIMITED**

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

#### **Matters covered 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.

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

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

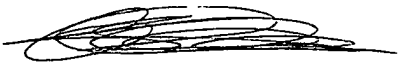
#### **Post balance sheet events**

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

#### **Auditors**

The auditors, Sagars Accountants Ltd, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



G S Lee  
Director

Date: 23 October 2023

## **SPRINGFIELD HOME CARE SERVICES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPRINGFIELD HOME CARE SERVICES LIMITED**

#### **Opinion**

We have audited the financial statements of Springfield Home Care Services Limited (the 'Company') for the year ended 31 March 2023, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

*In our opinion the financial statements:*

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



## **SPRINGFIELD HOME CARE SERVICES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPRINGFIELD HOME CARE SERVICES LIMITED (CONTINUED)**

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

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

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **SPRINGFIELD HOME CARE SERVICES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPRINGFIELD HOME CARE SERVICES LIMITED (CONTINUED)**

#### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of contract income and the override of controls by management. We discussed these risks with client management, designed audit procedures to test the timing and recognition of contract income, carried out detailed substantive testing on income, tested a sample of journals, selected on a risk basis, to confirm they were appropriate and reviewed areas of judgement and estimation for indicators of management bias to address these risks.

The organisation is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified Care Quality Commission Regulations, employment law and health and safety as those areas most likely to have such an effect. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement 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.
- 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 of the effectiveness of the Company's 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 Auditors' 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 Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

## SPRINGFIELD HOME CARE SERVICES LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPRINGFIELD HOME CARE SERVICES LIMITED (CONTINUED)

- 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.

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

*Ross Preston*

Ross Preston CA (Senior Statutory Auditor)

for and on behalf of  
**Sagars Accountants Ltd**

Chartered accountants  
& statutory auditor

Gresham House  
5-7 St Pauls Street  
Leeds  
LS1 2JG

23 October 2023

# SPRINGFIELD HOME CARE SERVICES LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover	4	12,703,790	12,953,897
Cost of sales		(8,433,069)	(9,588,501)
<b>Gross profit</b>		<u>4,270,721</u>	<u>3,365,396</u>
Administrative expenses		(3,978,045)	(3,959,934)
Other operating income	5	98,189	740,065
<b>Operating profit</b>	6	<u>390,865</u>	<u>145,527</u>
Interest receivable and similar income	10	31,217	21,571
Interest payable and similar expenses	11	(17,710)	(3,242)
<b>Profit before tax</b>		<u>404,372</u>	<u>163,856</u>
Tax on profit	12	(70,708)	(49,701)
<b>Profit after tax</b>		<u><u>333,664</u></u>	<u><u>114,155</u></u>
Retained earnings at the beginning of the year		83,739	(30,416)
		<u>83,739</u>	<u>(30,416)</u>
Profit for the year		333,664	114,155
<b>Retained earnings at the end of the year</b>		<u><u>417,403</u></u>	<u><u>83,739</u></u>

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of income and retained earnings.

All the activities of the company are from continuing operations.

The notes on pages 12 to 28 form part of these financial statements.

**SPRINGFIELD HOME CARE SERVICES LIMITED**  
**REGISTERED NUMBER: 03742352**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	13	24,468	84,551
Tangible assets	14	98,559	133,462
Investments	15	197,738	197,738
		<u>320,765</u>	<u>415,751</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	2,341,702	2,281,582
Cash at bank and in hand	17	229,935	298,271
		<u>2,571,637</u>	<u>2,579,853</u>
Creditors: amounts falling due within one year	18	(1,480,101)	(1,901,623)
<b>Net current assets</b>		<u>1,091,536</u>	<u>678,230</u>
<b>Total assets less current liabilities</b>		<u>1,412,301</u>	<u>1,093,981</u>
Creditors: amounts falling due after more than one year	19	(67,009)	(82,353)
<b>Net assets</b>		<u><u>1,345,292</u></u>	<u><u>1,011,628</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	19,593	19,593
Share premium account	22	907,575	907,575
Capital redemption reserve	22	721	721
Profit and loss account	22	417,403	83,739
		<u><u>1,345,292</u></u>	<u><u>1,011,628</u></u>

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

  
**G S Lee**  
 Director

Date: 23 October 2023

The notes on pages 12 to 28 form part of these financial statements.

# SPRINGFIELD HOME CARE SERVICES LIMITED

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

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	333,664	114,155
<b>Adjustments for:</b>		
Amortisation of intangible assets	60,083	60,083
Depreciation of tangible assets	47,944	37,247
Interest paid	17,710	3,242
Interest received	(31,217)	(21,571)
Taxation charge	70,708	49,701
(Increase) in debtors	(60,120)	(319,681)
(Decrease)/increase in creditors	(444,576)	243,337
Corporation tax (paid)	(62,708)	(84,701)
<b>Net cash generated from operating activities</b>	<u>(68,512)</u>	<u>81,812</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(13,041)	(117,497)
Interest received	31,217	21,571
Interest paid	(17,710)	(3,242)
<b>Net cash from investing activities</b>	<u>466</u>	<u>(99,168)</u>
<b>Cash flows from financing activities</b>		
Repayment of loans	-	(236,451)
Repayment of/new finance leases	(14,907)	97,260
<b>Net cash used in financing activities</b>	<u>(14,907)</u>	<u>(139,191)</u>
<b>Net (decrease) in cash and cash equivalents</b>	<u>(82,953)</u>	<u>(156,547)</u>
Cash and cash equivalents at beginning of year	298,271	454,818
<b>Cash and cash equivalents at the end of year</b>	<u><u>215,318</u></u>	<u><u>298,271</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	229,935	298,271
Bank overdrafts	(14,617)	-
	<u><u>215,318</u></u>	<u><u>298,271</u></u>

The notes on pages 12 to 28 form part of these financial statements.

## **SPRINGFIELD HOME CARE SERVICES LIMITED**

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

#### **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 and Wales (company number 03742352). The address of the registered office is:

2 Fusion Court  
Aberford Road  
Garforth  
Leeds  
LS25 2GH

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the entity

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 Exemption from preparing consolidated financial statements**

The Company is exempt from the requirement to prepare consolidated financial statements as all of its subsidiaries are required to be excluded from consolidation by section 402 of the Companies Act 2006.

##### **2.3 Going concern**

The company has prepared forecasts for the period to 31 October 2024 and subjected these to reasonable sensitivities. Like many businesses the company obtains funding from its bank through a mixture of an overdraft and an invoice discounting facility. 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 a sufficient level.

In the short and mid term trading in the health and social care sector remains challenging, however, the directors remain confident that the company can continue to operate as a going concern. 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 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 and for a period of at least 12 months from the date of the approval of the accounts.

As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

## **SPRINGFIELD HOME CARE SERVICES LIMITED**

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

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

##### **2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts and rebates. The following criteria must also be met before revenue is recognised:

##### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### **2.5 Operating leases: the Company as lessee**

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

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

##### **2.6 Government grants**

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

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

##### **2.7 Pensions**

##### **Defined contribution pension plan**

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

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



## **SPRINGFIELD HOME CARE SERVICES LIMITED**

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

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

##### **2.8 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

##### **2.9 Intangible assets**

###### **Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of Income and Retained Earnings over its useful economic life.

###### **Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10	years
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##### **2.10 Tangible fixed assets**

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

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	-	25%	on a straight line basis
Fixtures and fittings	-	33%	on a straight line basis

## **SPRINGFIELD HOME CARE SERVICES LIMITED**

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

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

##### **2.10 Tangible fixed assets (continued)**

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

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

##### **2.11 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **2.12 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

## SPRINGFIELD HOME CARE SERVICES LIMITED

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

#### 3. Judgements in applying accounting policies 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 for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Details of these judgements are set out in the accounting policies.

##### Key sources of estimation uncertainty

The estimates and assumptions which have a heightened risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

##### Useful lives of tangible fixed assets

The directors estimate the useful lives of tangible fixed assets based on the period over which the assets are expected to be available for use. When assessing the estimated useful lives of tangible fixed assets the directors have considered factors such as previous useful lives of similar assets, the age of the asset on purchase and the current condition of the asset.

#### 4. Turnover

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

	2023 £	2022 £
Rendering of services	12,703,790	12,953,897
	<u>12,703,790</u>	<u>12,953,897</u>

All turnover arose within the United Kingdom.

#### 5. Other operating income

	2023 £	2022 £
Government grants receivable	98,189	740,065
	<u>98,189</u>	<u>740,065</u>

#### 6. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation of tangible assets	47,944	37,247
Amortisation of intangibles assets	60,083	60,083
Impairment of trade debtors	11,823	24,425
	<u>118,850</u>	<u>121,755</u>

# SPRINGFIELD HOME CARE SERVICES LIMITED

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

### 7. Auditors' remuneration

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

	2023 £	2022 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	11,694	10,650

### 8. Employees

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

	2023 £	2022 £
Wages and salaries	10,237,127	10,610,559
Social security costs	732,482	780,671
Cost of defined contribution scheme	157,698	190,633
	<u>11,127,307</u>	<u>11,581,863</u>

Not included in the wages and salaries figures for 2022 are additional staff costs of £564,709, which have been included in additional costs and additional Covid costs within the accounts. £Nil for 2023.

The total remuneration for key management personnel, including pension costs totals £167,077 (2022 £162,920)

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

	2023 No.	2022 No.
Administrative staff	72	78
Care delivery staff	560	606
	<u>632</u>	<u>684</u>

### 9. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	167,077	162,920
Company contributions to defined contribution pension schemes	2,642	2,626
	<u>169,719</u>	<u>165,546</u>

During the year retirement benefits were accruing to 2 directors (2022 - 2) in respect of defined contribution pension schemes.

**SPRINGFIELD HOME CARE SERVICES LIMITED**

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

**10. Interest receivable**

	2023 £	2022 £
Other interest receivable	31,217	21,571
	<u>31,217</u>	<u>21,571</u>

**11. Interest payable and similar expenses**

	2023 £	2022 £
Bank interest payable	1,459	92
Finance leases and hire purchase contracts	2,046	682
Other interest payable	14,205	2,468
	<u>17,710</u>	<u>3,242</u>

**12. Taxation**

	2023 £	2022 £
<b>Corporation tax</b>		
Current tax on profits for the year	98,000	51,000
Adjustments in respect of previous periods	(27,292)	(1,299)
	<u>70,708</u>	<u>49,701</u>
<b>Total current tax</b>	<u>70,708</u>	<u>49,701</u>

## SPRINGFIELD HOME CARE SERVICES LIMITED

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

#### 12. Taxation (continued)

##### Factors affecting tax charge for the year

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

	2023 £	2022 £
Profit on ordinary activities before tax	404,372	163,856
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	76,831	31,133
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1	386
Adjustments to tax charge in respect of prior periods	(27,292)	(1,299)
Unrecognised deferred tax timing differences	14,613	19,773
Rounding on tax charge	6,555	(292)
Total tax charge for the year	70,708	49,701

##### Factors that may affect future tax charges

An increase in the UK corporate tax from 19% to 25% was announced in the 2021 budget and took effect in April 2023. The rates for small profits under £50,000 will remain at 19%, and there will be a taper relief for businesses with profits between £50,000 and £250,000.

**SPRINGFIELD HOME CARE SERVICES LIMITED**

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

**13. Intangible assets**

	Goodwill £
<b>Cost</b>	
At 1 April 2022	2,455,133
At 31 March 2023	<u>2,455,133</u>
<b>Amortisation</b>	
At 1 April 2022	2,370,582
Charge for the year on owned assets	60,083
At 31 March 2023	<u>2,430,665</u>
<b>Net book value</b>	
At 31 March 2023	<u><u>24,468</u></u>
At 31 March 2022	<u><u>84,551</u></u>

# **SPRINGFIELD HOME CARE SERVICES LIMITED**

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

### **14. Tangible fixed assets**

	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 April 2022	103,053	202,036	305,089
Additions	-	13,041	13,041
At 31 March 2023	<u>103,053</u>	<u>215,077</u>	<u>318,130</u>
<b>Depreciation</b>			
At 1 April 2022	6,441	165,186	171,627
Charge for the year on owned assets	-	23,791	23,791
Charge for the year on financed assets	24,153	-	24,153
At 31 March 2023	<u>30,594</u>	<u>188,977</u>	<u>219,571</u>
<b>Net book value</b>			
At 31 March 2023	<u>72,459</u>	<u>26,100</u>	<u>98,559</u>
At 31 March 2022	<u>96,612</u>	<u>36,850</u>	<u>133,462</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £	2022 £
Motor vehicles	72,459	96,612
	<u>72,459</u>	<u>96,612</u>



# SPRINGFIELD HOME CARE SERVICES LIMITED

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

### 15. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2022	197,738
At 31 March 2023	197,738
<b>Net book value</b>	
At 31 March 2023	197,738
At 31 March 2022	197,738

### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Positive Life Choices Limited	England and Wales	Ordinary	100%
Pathways to Independence (DO) Limited	England and Wales	Ordinary	100%
Helping Hands HCS Limited	England and Wales	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.

The aggregate of the share capital and reserves as at 31 March 2023 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Positive Life Choices Limited	2	-
Pathways to Independence (DO) Limited	85,447	-
Helping Hands HCS Limited	112,291	-

**SPRINGFIELD HOME CARE SERVICES LIMITED**

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

**16. Debtors**

	2023 £	2022 £
Trade debtors	1,166,813	1,186,690
Amounts owed by joint ventures and associated undertakings	326,205	322,205
Other debtors	759,170	631,999
Prepayments and accrued income	89,514	140,688
	<u>2,341,702</u>	<u>2,281,582</u>

**17. Cash and cash equivalents**

	2023 £	2022 £
Cash at bank and in hand	229,935	298,271
Less: bank overdrafts	(14,617)	-
	<u>215,318</u>	<u>298,271</u>

# **SPRINGFIELD HOME CARE SERVICES LIMITED**

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

### **18. Creditors: Amounts falling due within one year**

	2023 £	2022 £
Bank overdrafts	14,617	-
Trade creditors	57,037	241,211
Amounts owed to group undertakings	197,738	197,738
Corporation tax	98,000	90,000
Other taxation and social security	164,223	181,491
Obligations under finance lease and hire purchase contracts	15,344	14,907
Invoice discounting facility	286,575	249,864
Other creditors	259,551	255,219
Accruals and deferred income	387,016	671,193
	<u>1,480,101</u>	<u>1,901,623</u>

The following liabilities were secured:

	2023 £	2022 £
Bank overdraft	14,617	-
Obligations under finance lease and hire purchase contracts	15,344	14,907
Invoice discounting facility	286,575	249,864
	<u>316,536</u>	<u>264,771</u>

Details of security provided:

The bank overdraft and invoice discounting facility are secured on the assets of the company.

The obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

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

	2023 £	2022 £
Net obligations under finance leases and hire purchase contracts	67,009	82,353
	<u>67,009</u>	<u>82,353</u>

The obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

## SPRINGFIELD HOME CARE SERVICES LIMITED

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

#### 20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	15,344	14,907
Between 1-5 years	67,009	82,353
	<u>82,353</u>	<u>97,260</u>

#### 21. Share capital

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
5,057 (2022 - 5,057) A ordinary shares of £1.00 each	5,057	5,057
721 (2022 - 721) B ordinary shares of £1.00 each	721	721
7,779 (2022 - 7,779) A1 ordinary shares of £1.00 each	7,779	7,779
6,034 (2022 - 6,034) Deferred shares of £1.00 each	6,034	6,034
1 (2022 - 1) C ordinary share of £1.00	1	1
1 (2022 - 1) D ordinary share of £1.00	1	1
	<u>19,593</u>	<u>19,593</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.

#### 22. 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 profits and losses.

## SPRINGFIELD HOME CARE SERVICES LIMITED

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

#### 23. Analysis of net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	298,271	(68,336)	229,935
Bank overdrafts	-	(14,617)	(14,617)
Debt due after 1 year	(82,353)	15,344	(67,009)
Finance leases	(14,907)	(437)	(15,344)
	<u>201,011</u>	<u>(68,046)</u>	<u>132,965</u>

#### 24. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £157,698 (2022 - £190,633). Contributions totalling £29,620 (2022 - £39,508) were payable to the fund at the reporting date and are included in creditors.

#### 25. Commitments under operating leases

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

	2023 £	2022 £
Not later than 1 year	123,186	12,930
Later than 1 year and not later than 5 years	279,582	135,734
Later than 5 years	216,797	592,903
	<u>619,565</u>	<u>741,567</u>

#### 26. Transactions with directors

At the period end an amount of £598,419 (2022 - £457,535) 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 FOR THE YEAR ENDED 31 MARCH 2023**

#### **27. Related party transactions**

##### **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 £11,135 at the year end there was a balance of £127 which is included in debtors. In addition, interest of £7,667 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 2023 there was a balance of £245,723 which includes interest due from Springfield Care Services Limited, the balance is included in debtor in the accounts (2022 - £235,390).

Springfield Care Services Ltd have provided security to the bank over certain properties.

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

During the year, the company was recharged rent by Hartlepool Park Road Properties Limited of £17,325 but paid for services on behalf of Hartlepool Park Road Properties Limited £10,992. At the year end, £34,865 was due from Hartlepool Park Road Properties Limited, this amount is included within debtors (2022 - £29,560).

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

Springfield Home Care Services Limited recharged directors salaries and management recharges and other disbursements totalling £172,436 (2022 - £189,262) to SHG (Care Villages) Limited.

At the period end a balance of £34,794 (2022 - £14,985) was due from SHG (Care Villages) Limited and is included in debtors

SHG recharged SHCS salaries and other disbursements totalling £12,059 (2022 - £44,497). At the period end a balance of £nil (2022 - £nil) was due to SHG.

##### **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 (2022 - £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 (2022 - £112,291).

##### **Spring2Recruitment Limited**

Springfield Home Care Services Limited recharged payroll and management account support recharges and other disbursements totalling £5,056. At the year end a balance of £800 was due from Spring2Recruitment Limited and is included in trade debtors.

Springfield Home Care Services Limited paid for services on behalf of Spring2Recruitment Limited of £781,566. At the year end £11,665 (2022 - £23,951) was due from Spring2Recruitment Limited and this is included in other debtors.

During the year, the company charged for holiday buy back pay and introduction charged of £2,000. At the year end £900 was due to Spring2 this amount is included within trade creditors.

## **SPRINGFIELD HOME CARE SERVICES LIMITED**

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

#### **Summer Cross Limited**

Springfield Home Care Services Limited paid for services on behalf of Summer Cross Limited of £nil (2022 - £45,617). At the year end £45,617 (2022 - £45,617) was due from Summer Cross Limited and this is included in other debtors.

#### **28. Controlling party**

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.