

Company registration number 05591087 (England and Wales)

SHAW HEALTHCARE (BARTON) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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SHAW HEALTHCARE (BARTON) LIMITED

COMPANY INFORMATION

Directors	R S Brown G R Morgan M J Smith A Thomas	(Appointed 1 November 2021)
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Company number	05591087
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Registered office	Ty Shaw Links Court Links Business Park St Mellons Cardiff South Glamorgan Wales CF3 0LT
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Auditor	Azets Audit Services Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff United Kingdom CF23 8AB
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SHAW HEALTHCARE (BARTON) LIMITED

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SHAW HEALTHCARE (BARTON) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activities of the company during the course of the year were those of the management of residential care homes.

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

R S Brown	
G R Morgan	(Appointed 1 November 2021)
M J Smith	
A Thomas	
P J Nixey	(Resigned 31 October 2021)

Auditor

Azets Audit Services were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

SHAW HEALTHCARE (BARTON) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Going Concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Further details regarding the adoption of the going concern basis can be found in note 1.2 to the financial statements.

On behalf of the board



R.S. BROWN

Date: 29 SEPTEMBER 2022

SHAW HEALTHCARE (BARTON) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHAW HEALTHCARE (BARTON) LIMITED

Opinion

We have audited the financial statements of Shaw healthcare (Barton) Limited (the 'company') for the year ended 31 March 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 2022 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 auditor's 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

SHAW HEALTHCARE (BARTON) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SHAW HEALTHCARE (BARTON) LIMITED

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

SHAW HEALTHCARE (BARTON) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SHAW HEALTHCARE (BARTON) LIMITED

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 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.

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.

Azets Audit Services

Andrew Howells (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

Chartered Accountants
Statutory Auditor

Date: *29 September 2022*

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

SHAW HEALTHCARE (BARTON) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Turnover	3	1,561,726	1,509,013
Operating costs		(1,105,771)	(1,033,080)
Operating profit	4	455,955	475,933
Interest receivable and similar income	8	325,792	231,948
Interest payable and similar expenses	9	(308,560)	(320,006)
Profit before taxation		473,187	387,875
Tax on profit	10	(78,904)	(67,688)
Profit for the financial year		394,283	320,187

The profit and loss account has been prepared on the basis that all operations are continuing operations.

SHAW HEALTHCARE (BARTON) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Profit for the year	394,283	320,187
Other comprehensive income	-	-
Total comprehensive income for the year	<u>394,283</u>	<u>320,187</u>

SHAW HEALTHCARE (BARTON) LIMITED

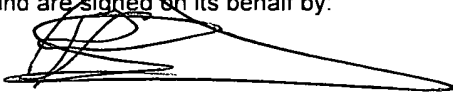
BALANCE SHEET

AS AT 31 MARCH 2022

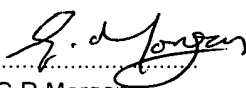
	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		3,437,947		3,491,400
Current assets					
Debtors falling due after more than one year	13	2		2	
Debtors falling due within one year	13	172,224		192,610	
Cash at bank and in hand		575,042		527,570	
			747,268		720,182
Creditors: amounts falling due within one year	14	(502,014)		(439,091)	
Net current assets			245,254		281,091
Total assets less current liabilities			3,683,201		3,772,491
Creditors: amounts falling due after more than one year	15		(4,610,624)		(5,094,197)
Net liabilities			(927,423)		(1,321,706)
Capital and reserves					
Called up share capital	18	50,000		50,000	
Capital redemption reserve	19	355,012		355,012	
Profit and loss reserves	20	(1,332,435)		(1,726,718)	
Total equity			(927,423)		(1,321,706)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 29 SEPTEMBER 2022 and are signed on its behalf by:



 R S Brown
 Director



 G R Morgan
 Director

Company Registration No. 05591087

SHAW HEALTHCARE (BARTON) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2020	50,000	355,012	(2,046,905)	(1,641,893)
Year ended 31 March 2021:				
Profit and total comprehensive income for the year	-	-	320,187	320,187
Balance at 31 March 2021	50,000	355,012	(1,726,718)	(1,321,706)
Year ended 31 March 2022:				
Profit and total comprehensive income for the year	-	-	394,283	394,283
Balance at 31 March 2022	50,000	355,012	(1,332,435)	(927,423)

SHAW HEALTHCARE (BARTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Shaw healthcare (Barton) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ty Shaw Links Court, Links Business Park, St Mellons, Cardiff, South Glamorgan, Wales, CF3 0LT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.99(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Shaw healthcare (Group) Limited as at 31 March 2022, and these financial statements may be obtained from its registered office Ty Shaw Links Court, Links Business Park, St Mellons, Cardiff, CF3 0LT.

SHAW HEALTHCARE (BARTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.2 Going concern

The financial statements have been prepared using the going concern basis of accounting.

The company's business activities are set out in the Director's Report. The Business Review incorporated in the annual report of Shaw healthcare (Group) Limited ('the group'), the ultimate parent company, includes information on the group's business activities, together with the factors likely to affect its future development, performance, and position. It also includes information on the financial position of the group, its cash flows, liquidity position and borrowing facilities as well as its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The directors have assessed going concern for the group and all subsidiaries, including the company. Management is common across the group and the company and take comfort that whilst there is sufficient cash headroom within the group, management can transfer funds across the group and subsidiaries to ensure sufficient headroom is maintained at a subsidiary level, to ensure they meet their obligations as they fall due, and in compliance with bank covenant tests. Formal letters of support from the group have also been provided for subsidiary companies, if required.

Most of the company's revenue is derived from long term contracts and is therefore secure revenue.

The company is largely sheltered from risk of cost volatility due to its agreement with subcontracting companies within the group for major items such as staff and facility costs.

The company is in a net liabilities position at the year end as a result of losses made in previous years. The directors have reviewed future cash flow forecasts and note that sufficient cash will be generated from profits, in addition to cash reserves held at the year end, to meet obligations as they fall due, and to ensure sufficient headroom on bank covenant tests throughout the forecast period, for at least 12 months from approval of the financial statements.

After making enquiries the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

1.3 Turnover

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, rebates, value added tax and other sales taxes.

The turnover shown in the profit and loss account arises wholly in the United Kingdom and represents amounts recognised during the year in line with the company's revenue recognition policy.

The company recognises revenue as care is provided for non-contracted market beds and as it is made available for contracted block beds. The company recognises income from the sale of properties on completion of the sale. The company recognises service contract income and housing and management service fees as the service is provided. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

SHAW HEALTHCARE (BARTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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

Freehold land and buildings	1.67% straight line
Fixtures and fittings	10% - 33.3% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Borrowing costs related to fixed assets

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

1.6 Impairment of fixed assets

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

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

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

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

1.7 Cash and cash equivalents

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

SHAW HEALTHCARE (BARTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

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

1.10 Taxation

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

Current tax

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

SHAW HEALTHCARE (BARTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

SHAW HEALTHCARE (BARTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

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

Impairment of tangible fixed assets

At each reporting period, tangible fixed assets are reviewed for impairment indicators. If directors judge that such impairment indicators are present, an estimate of the recoverable amount of the asset is made. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use.

The value in use calculations require judgement in relation to uncertain items, including management's expectations of future revenue growth, operating costs, operating cash flows, and discount rate for the business. The future cash flows used in the value in use calculations are based on the latest board approved financial plans. The discount rate is derived from the post-tax average cost of capital.

If the value in use of the asset is insufficient, directors engage with independent property valuation experts to determine the fair value of assets.

3 Turnover and other revenue

	2022 £	2021 £
Turnover analysed by class of business		
Care home residential fees	1,062,101	1,018,305
Property rental and service charge income	468,428	459,295
Other income	31,197	31,413
	<u>1,561,726</u>	<u>1,509,013</u>
	2022 £	2021 £
Other revenue		
Interest income	<u>325,792</u>	<u>231,948</u>

All turnover has been derived from within the UK.

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	<u>53,453</u>	<u>49,927</u>

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	<u>5,850</u>	<u>5,050</u>

SHAW HEALTHCARE (BARTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

5 Auditor's remuneration

(Continued)

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

6 Employees

The company had no employees other than the directors during either the current or the prior financial year.

7 Directors' remuneration

The directors are remunerated by Shaw healthcare (Group) Limited for their services to the group as a whole. It is not practicable to allocate their remuneration between their services to this company and other group companies. Their remuneration is disclosed in the consolidated financial statements of Shaw healthcare (Group) Limited, which are publicly available.

8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	-	2
Other interest income	-	143
	<hr/>	<hr/>
Total interest revenue	-	145
 Other income from investments		
Gains on financial instruments measured at fair value through profit or loss	325,792	231,803
	<hr/>	<hr/>
Total income	325,792	231,948
	<hr/> <hr/>	<hr/> <hr/>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	-	2
Interest on financial assets measured at fair value through profit or loss	325,792	231,803
	<hr/> <hr/>	<hr/> <hr/>

9 Interest payable and similar expenses

	2022 £	2021 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	198,495	207,460
Interest payable to group undertakings	110,065	112,546
	<hr/>	<hr/>
	308,560	320,006
	<hr/> <hr/>	<hr/> <hr/>

SHAW HEALTHCARE (BARTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

10 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	78,904	58,340
Deferred tax		
Origination and reversal of timing differences	-	9,348
Total tax charge	78,904	67,688

From 17 March 2020 the substantively enacted UK corporation tax rate was 19% as announced by the Government in the Spring Budget 2020. However, the UK corporation tax rate will increase to 25% with effect from 1 April 2023 per Finance Bill 2021. This increased tax rate was substantively enacted on 24 May 2021. As a result, deferred tax has been calculated at a rate of 25%.

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	473,187	387,875
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	89,906	73,696
Tax effect of expenses that are not deductible in determining taxable profit	9,772	2,786
Effect of change in corporation tax rate	(24,834)	-
Deferred tax not recognised	4,060	(14,741)
Fixed asset differences	-	5,947
Taxation charge for the year	78,904	67,688

Taxable losses of £600,813 (2021: £600,813) have been carried forward to set off against future profits. No deferred tax asset has been recognised in relation to carried forward losses.

SHAW HEALTHCARE (BARTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

11 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 April 2021 and 31 March 2022	4,143,317	82,066	4,225,383
Depreciation and impairment			
At 1 April 2021	669,546	64,437	733,983
Depreciation charged in the year	49,927	3,526	53,453
At 31 March 2022	719,473	67,963	787,436
Carrying amount			
At 31 March 2022	3,423,844	14,103	3,437,947
At 31 March 2021	3,473,771	17,629	3,491,400

Cumulative finance costs capitalised within freehold land and buildings amount to £283,813 (2021: £283,813). Capitalised finance costs written off in the profit and loss account during the year amounted to £4,729 (2021: £4,729).

The unamortised portion of capitalised borrowing costs at 31 March 2022 was £215,622 (2021: £220,351).

12 Derivative Financial instruments

Interest rate swaps are valued at present value of future cashflows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

Interest rate swap contracts

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the reporting date:

	Notional principal value 2022 £	Notional principal value 2021 £	Fair value 2022 £	Fair value 2021 £
Outstanding 'receive floating pay fixed' contracts	2,800,000	3,000,000	503,308	829,100

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is LIBOR. Swap interest rate is fixed at 4.58% expiring on 31 March 2035. The company will settle the difference between the fixed and floating interest rate on a net basis.

SHAW HEALTHCARE (BARTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	167,125	186,550
Other debtors	5,099	5,033
Prepayments and accrued income	-	1,027
	<u>172,224</u>	<u>192,610</u>
Amounts falling due after more than one year:		
Deferred tax asset (note 17)	2	2
	<u>172,226</u>	<u>192,612</u>
Total debtors		
	<u>172,226</u>	<u>192,612</u>

14 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	16	128,368	128,253
Other borrowings	16	43,963	26,681
Trade creditors		-	1
Amounts owed to group undertakings		3,407	20,812
Corporation tax		78,904	58,340
Other taxation and social security		70,230	55,169
Accruals and deferred income		177,142	149,835
		<u>502,014</u>	<u>439,091</u>

The amounts owed to other group companies are unsecured, interest free and repayable on demand unless otherwise stated.

15 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	16	3,161,171	3,289,536
Other borrowings	16	946,145	975,561
Derivative financial instruments		503,308	829,100
		<u>4,610,624</u>	<u>5,094,197</u>

SHAW HEALTHCARE (BARTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

15 Creditors: amounts falling due after more than one year (Continued)

Amounts included above which fall due after five years are as follows:

Payable by instalments	3,417,267	3,640,748
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16 Loans and overdrafts

	2022 £	2021 £
Bank loans	3,289,539	3,417,789
Loans from group undertakings	990,108	1,002,242
	<u>4,279,647</u>	<u>4,420,031</u>
Payable within one year	172,331	154,934
Payable after one year	<u>4,107,316</u>	<u>4,265,097</u>

Bank loans

The loan is secured on the freehold land and buildings and other assets of the company and is repayable in six-monthly instalments which commenced in September 2008. The loan will be fully repaid by 2036. The company has entered into an interest rate swap agreement (with Allied Irish Bank) whereby the interest rate is fixed at 4.58% per annum for the duration of the loan.

The bank loan is stated net of deferred finance costs of £34,438 (2021: £36,899). These costs will be allocated to the profit and loss account over the term of the loan. Deferred finance costs written off during the year amounted to £2,461 (2021: £2,461).

Loan from parent undertaking

The loan is repayable in six-monthly instalments which commenced in September 2008 and will be fully repaid by 2038. The loan is secured on the freehold land and buildings and other assets of the company and ranks second in priority behind the bank loan shown above. Interest is charged at 15% per annum for the duration of the loan.

Included within amounts payable after five years is an amount of £180,000 (2021: £180,000) with no fixed repayment terms. Interest is charged at 2% per annum on this balance.

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2022 £	Assets 2021 £
Balances:		
Other timing differences	<u>2</u>	<u>2</u>

SHAW HEALTHCARE (BARTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

17 Deferred taxation

(Continued)

There were no deferred tax movements in the year.

18 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary of £1 each	50,000	50,000	50,000	50,000

The company has one class of ordinary shares which carry no right to fixed income.

19 Capital redemption reserve

The capital contribution reserve represents the cumulative difference between actual and market rate interest charged on inter-company borrowings.

20 Profit and loss reserves

The profit and loss reserve represents cumulative profits and losses net of dividends paid and other adjustments.

21 Related party transactions

There were no related party transactions with companies outside of the Shaw healthcare (Group) Limited group of companies. There were no transactions with directors.

The company has taken advantage of the exemption available under FRS 102 from disclosing transactions and balances with other wholly owned group companies that form part of the Shaw healthcare (Group) Limited group.

Key management personnel are consistent with directors. The directors are remunerated by Shaw healthcare (Group) Limited for their services to the group as a whole.

22 Ultimate controlling party

The parent company is Shaw healthcare (Group) Limited, a company incorporated and registered in England and Wales. The smallest and largest group for which consolidated financial statements are prepared which include the results of the company is headed by Shaw healthcare (Group) Limited, the financial statements of which are available from Ty Shaw Links Court, Links Business Park, St Mellons, Cardiff, CF3 0LT.

The ultimate controlling party is Shaw healthcare Employee Ownership Trust (EOT) which owns 51% of the ordinary share capital of Shaw healthcare (Group) Limited. No individual holds more than a 10% holding in the share capital of the group.