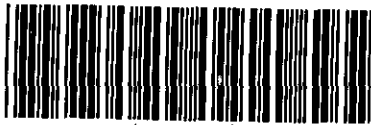


REGISTERED NUMBER: 05620557 (England and Wales)

Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 31 March 2023  
for  
Alphacare Management Services No. 2  
Limited

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**Alphacare Management Services No. 2  
Limited (Registered number: 05620557)**

**Contents of the Financial Statements  
for the Year Ended 31 March 2023**

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	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>6</b>
<b>Income Statement</b>	<b>7</b>
<b>Other Comprehensive Income</b>	<b>8</b>
<b>Balance Sheet</b>	<b>9</b>
<b>Statement of Changes in Equity</b>	<b>11</b>
<b>Notes to the Financial Statements</b>	<b>12</b>

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**Alphacare Management Services No. 2  
Limited**

**Company Information  
for the Year Ended 31 March 2023**

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**DIRECTORS:**

M S Patel  
J N Alflatt

**SECRETARY:**

J N Alflatt

**REGISTERED OFFICE:**

238 Station Road  
Addlestone  
Surrey  
KT15 2PS

**REGISTERED NUMBER:**

05620557 (England and Wales)

**ACCOUNTANTS:**

CSL Partnership Limited  
Chartered Certified Accountants  
238 Station Road  
Addlestone  
Surrey  
KT15 2PS

**Strategic Report  
for the Year Ended 31 March 2023**

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The directors present their strategic report for the year ended 31 March 2023.

**REVIEW OF BUSINESS**

The principal activity of the company is the operation of care homes for the elderly.

**REVIEW OF BUSINESS**

The company is proud of the valuable contribution of all staff team members whose unwavering commitment to supporting our residents has been consistently impressive despite the many challenges faced by the sector in recent years. The period's results can be summarised as follows:

	<b>31.03.23</b>	<b>31.03.22</b>
	<b>£</b>	<b>£</b>
Revenue	3,645,843	3,387,231
Profit on ordinary activities before tax	1,017,616	767,164
Tax charge	202,948	240,384
Retained profit/(loss)	814,668	526,780
Shareholder funds	2,639,916	1,825,248

**FUTURE PROSPECTS**

The group remains focussed on its key performance indicators and consolidating on an improving operating background following the effects of Covid 19. The group's strategy is one of managed growth through appropriate acquisitions that fit with its business model, as well as extending existing facilities.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company's operations expose it to a variety of risks. The company has in place a risk management programme that analyses and monitors exposure to these risks using Key Performance Indicators (KPIs).

The company uses a range of key performance indicators, both financial and non financial, to monitor its business. Monthly dashboard reporting includes consideration of occupancy levels (including numbers admitted and discharged), ratios of self pay clients and government funded clients, average fees, staff cost percentages and other costs per bed as well as a range of operational compliance measures on a home by home basis.

**Price risk**

The company is exposed to supplier and labour price risk as a result of its operations. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring and reviewing the suppliers' prices on a regular basis. The company has no exposure to equity securities price risk as it holds no listed equity investments. The company's rental commitments are structured to increase in line with the Retail Price Index, subject to a 4% cap and a 2% floor.

KPIs used:

EBITDA and profit margins

Cost per capita for key spending categories

We have measured the performance of these KPI's against our forecasts and past experience and are pleased with overall performance whilst recognising there is room for improvement in some areas of the business.

**Strategic Report  
for the Year Ended 31 March 2023**

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**Credit risk**

The company contracts with publicly funded bodies or private individuals. Payment terms for private individuals are in advance as is usual in this type of business.

KPIs used:  
Bad debt ratios  
Debtor day measurement

Incidence of bad debt is, as expected, low given the customer base and payment terms.

**Quality and regulation risk**

The company depends on its continued service quality and compliance with regulations and standards of the Care Quality Commission and similar regulatory bodies. Failure to comply could result in regulatory action which could include penalties and revocation of licences to operate as well as having a detrimental effect on occupancy, reputation and costs.

KPIs used:  
CQC reports and ratings  
Internal audit data  
Staffing levels

The company continues to evolve and improve its internal audit systems which it considers fit for purpose when measuring quality and compliance.

**Fire Safety Risk**

The directors believe that staff and service users should be as safe as possible from the threat of fire or from injury in the case of an outbreak of fire and that the best way to ensure that safety exists is to:

- have robust fire policies and procedures in place
- ensure that appointed fire wardens are in place in accordance with the law
- ensure that staff are well trained to cope with an outbreak of fire or an alarm.

The company has an online estates management system with policy documents and certification on all fire systems for service and maintenance with alert dates to ensure compliance.

Individual fire risk assessment and actions plans are held locally and centrally. Fire training forms part of the company's mandatory training programme which is monitored via an online training matrix.

External fire risk assessors are used where required to assist and ensure compliance and to support continuous improvement. A partnering arrangement with South Tyneside Building Control provides support in ensuring fire compliance for existing and new buildings.

**Risks related to Covid 19 and other infections.**

The company's elderly frail client group and the workforce are particularly vulnerable to the effects of Covid 19. The risks to the company include a decline in occupancy and new admissions as well as the impact on the availability of staff. The directors believe that its clients and staff should be protected as far as possible from the risk of Covid 19 and has set policies in line with Government Guidelines to ensure environments and conditions are as safe as possible, including the provision of the necessary personal protective equipment and good infection control measures.

**Strategic Report  
for the Year Ended 31 March 2023**

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**Staff resources risk**

The company is reliant on its ability to attract and retain suitably qualified staff to ensure the continued provision of quality services. In doing so, it strives to provide pay rates in keeping with local market conditions, comprehensive training and monitoring of staff and providing good working conditions.

KPIs used;

Staff turnover levels

Ratios of employed staff against agency staff

Staff costs per client

The company's staff turnover levels have increased but are within sector norms and continue to remain in line with company expectations. Ratios of agency staff were the higher than forecast in the year but the company continues to support its homes in positive recruitment initiatives to further improve its ratio of employed staff. The company continues to monitor levels of staff training and regularly reviews staff survey results.

**Fee revenue risk**

A significant proportion of the company's turnover is derived from government funded clients and as such the continuation of this policy and annual increases in fee rates is important for the company to maintain its margins. If fee rates do not rise in line with costs then the company is likely to suffer lower margins as a result.

KPIs used;

Ratios of private clients against government funded clients

Average fee rates

Occupancy rates

The company considers its average fee rates to be below the national average and that they offer value for money for service users. Occupancy rates were on average slightly below expectations in the year reflecting the competitive nature of the market place. Covid 19 continues to have an impact on occupancy levels though these have now recovered to near normal levels. The ratio of private clients to Government funded clients reduced slightly during the year.

**DISABLED EMPLOYEE POLICY**

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

**Strategic Report  
for the Year Ended 31 March 2023**

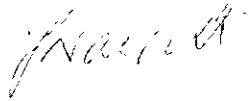
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**EMPLOYEE INVOLVEMENT**

It is the company's policy that the selection of employees for recruitment, training, development and promotion should be determined solely on their skills, abilities and other requirements which are relevant to the job, regardless of their gender, race, religion or disability.

The company recognises the value of its employees and places importance on communications with employees which takes place at many levels throughout the organisation on both a formal and informal basis. The personal development of employees is closely monitored so that appropriate training programmes can be designed with a view to assisting employees to achieve their own objectives as well as those of the company.

**ON BEHALF OF THE BOARD:**



J N Alflatt - Secretary

1 September 2023

**Report of the Directors  
for the Year Ended 31 March 2023**

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The directors present their report with the financial statements of the company for the year ended 31 March 2023.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2023.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

M S Patel  
J N Alflatt

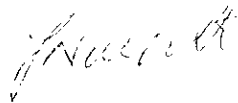
**GOING CONCERN**

The directors have reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. The directors therefore believe that it is appropriate to prepare the financial statements on a going concern basis. Further details for the basis upon which the directors have formed this opinion are found in note 2 to the financial statements.

**DISCLOSURE IN THE STRATEGIC REPORT**

Certain information required to be disclosed in the directors' report has been shown instead in the strategic report as allowed under S414C (11) CA2016.

**ON BEHALF OF THE BOARD:**



J N Alflatt - Secretary

1 September 2023



**Alphacare Management Services No. 2  
Limited (Registered number: 05620557)**

**Income Statement  
for the Year Ended 31 March 2023**

	Notes	31.3.23 £	31.3.22 £
<b>REVENUE</b>	3	<b>3,645,843</b>	3,387,231
Cost of sales		<u>2,185,800</u>	<u>2,139,325</u>
<b>GROSS PROFIT</b>		<b>1,460,043</b>	1,247,906
Administrative expenses		<u>329,022</u>	<u>551,438</u>
		<b>1,131,021</b>	696,468
Other operating income	4	<u>22,580</u>	<u>141,395</u>
<b>OPERATING PROFIT</b>	6	<b>1,153,601</b>	837,863
Interest payable and similar expenses	7	<u>135,985</u>	<u>70,699</u>
<b>PROFIT BEFORE TAXATION</b>		<b>1,017,616</b>	767,164
Tax on profit	8	<u>202,948</u>	<u>240,384</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>814,668</b>	526,780

The notes form part of these financial statements

**Alphacare Management Services No. 2  
Limited (Registered number: 05620557)**

**Other Comprehensive Income  
for the Year Ended 31 March 2023**

	Notes	<b>31.3.23</b> <b>£</b>	<b>31.3.22</b> <b>£</b>
<b>PROFIT FOR THE YEAR</b>		<b>814,668</b>	526,780
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>814,668</b></u>	<u>526,780</u>

The notes form part of these financial statements

**Alphacare Management Services No. 2  
Limited (Registered number: 05620557)**

**Balance Sheet  
31 March 2023**

	Notes	31.3.23 £	31.3.22 £
<b>FIXED ASSETS</b>			
Property, plant and equipment	9	<b>4,090,183</b>	4,205,847
Investments	10	<b>2,765,907</b>	2,765,907
		<b>6,856,090</b>	6,971,754
<b>CURRENT ASSETS</b>			
Inventories	11	<b>2,000</b>	2,000
Debtors	12	<b>3,073,897</b>	1,830,049
Cash at bank		<b>156,510</b>	391,620
		<b>3,232,407</b>	2,223,669
<b>CREDITORS</b>			
Amounts falling due within one year	13	<b>(3,819,316)</b>	(3,537,754)
<b>NET CURRENT LIABILITIES</b>		<b>(586,909)</b>	(1,314,085)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>6,269,181</b>	5,657,669
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	<b>(3,264,847)</b>	(3,464,461)
<b>PROVISIONS FOR LIABILITIES</b>	17	<b>(364,418)</b>	(367,960)
<b>NET ASSETS</b>		<b>2,639,916</b>	1,825,248

The notes form part of these financial statements

**Alphacare Management Services No. 2  
Limited (Registered number: 05620557)**

**Balance Sheet - continued  
31 March 2023**

	Notes	31.3.23 £	31.3.22 £
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	1,000	1,000
Retained earnings	19	<u>2,638,916</u>	<u>1,824,248</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><b>2,639,916</b></u>	<u><b>1,825,248</b></u>

The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2023 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board of Directors and authorised for issue on 1 September 2023 and were signed on its behalf by:



M S Patel - Director

The notes form part of these financial statements

**Alphacare Management Services No. 2  
Limited (Registered number: 05620557)**

**Statement of Changes in Equity  
for the Year Ended 31 March 2023**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 April 2021</b>	1,000	1,297,468	1,298,468
<b>Changes in equity</b>			
Total comprehensive income	-	526,780	526,780
<b>Balance at 31 March 2022</b>	1,000	1,824,248	1,825,248
<b>Changes in equity</b>			
Total comprehensive income	-	814,668	814,668
<b>Balance at 31 March 2023</b>	1,000	2,638,916	2,639,916

The notes form part of these financial statements

**1. STATUTORY INFORMATION**

Alphacare Management Services No. 2 Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value and in accordance with Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council.

The principal activities of the company and the nature of the company's operations are set out in the strategic report on pages two to five.

**Going concern**

The directors consider it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

The company worked closely with its suppliers to both ensure continuity of supply and to negotiate competitive pricing. Occupancy is constantly monitored and the company is working closely with Local Authorities and Clinical Commissioning Groups to manage and monitor demand and supply and to ensure appropriate communication to all our stakeholders.

The directors have performed a going concern assessment for a period of at least 12 months following the date of approval of these financial statements, including detailed cash flow forecasts, which indicate that, taking account of reasonably predictable downsides, the company will have sufficient funds to continue as a going concern. Directors have a strong communication line with shareholders and provide regular updates on the performance of the business. As a result the directors are comfortable the company would have the continued support of the shareholders if it was required, however such a situation is considered to be highly improbable.

Based on the above the Directors believe it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

**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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirement of paragraph 33.7.

**2. ACCOUNTING POLICIES - continued**

**Significant judgements and estimates**

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgement, estimates, and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors considered to be applicable. Due to the inherent subjectivity in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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

**Assessing indicators of impairment**

**Non-financial assets**

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

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

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

**Financial assets**

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

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

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

**2. ACCOUNTING POLICIES - 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 outlined below;

**Going concern**

The preparation of the financial statements on a going concern basis is based on the assessment of the forecast performance of the business for a period of at least 12 months following the date of approval of these financial statements. This assessment includes a degree of judgement in terms of key areas including occupancy levels, fee rates and the timing of cash flows. In undertaking this assessment, the directors have made assumptions and estimates relating to these key areas and applied sensitivity analysis to ascertain the impact of those sensitivities on their forecasts.

**Determining residual values and useful economic lives of tangible fixed assets**

The company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, life cycles and maintenance programmes.

Judgment is applied by management when determining the residual values for tangible fixed assets. When determining the residual value, management aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

**Revenue**

Revenue is the total amount receivable by the company for resident fees, excluding value added tax, for the services provided during the year.

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 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 condition 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. ACCOUNTING POLICIES - continued**

**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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Improvements to property	- 5% on cost
Fixtures & fittings	- 20% on cost
Motor vehicles	- 25% on cost

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**Inventories**

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

Financial assets and financial liabilities are recognised in the balance sheet when the group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the group's cash management.

Derivative financial instruments are classified as other financial instruments. They are measured at fair value on initial recognition and at the end of each reporting period, with changes in fair value recognised in profit or loss.

Financial liabilities and equity instruments issued by the group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**2. ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Normal rentals payable under operating leases are charged over the lease term as incurred. Initial rentals paid on the signing of leases are spread on a straight-line basis over the lease term.

The directors have considered the terms and conditions of the leases that the company has entered into as well as assessing the net present value of minimum future payments under those leases and have concluded that all leases meet the criteria for them to be treated as operating leases.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Revenue**

Revenue is the total amount receivable by the company for resident fees, excluding value added tax, for the services provided during the year.

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 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.

**Employee costs**

Short term employee benefits including holiday pay and annual bonuses are accrued as services are rendered. Contributions to defined contribution pension schemes are charged to profit or loss as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the balance sheet.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023

3. **REVENUE**

The company's turnover is all derived from the provision of care services. The directors are of the opinion that the company has no substantially different classes of business nor does it supply substantially different geographical markets.

4. **OTHER OPERATING INCOME**

	31.3.23	31.3.22
	£	£
Sundry receipts	22,580	6,683
Government grants	-	134,712
	<u>22,580</u>	<u>141,395</u>

Government grants represent Infection Control grants, other Covid support payments and Coronavirus Job Retention Scheme grants receivable.

5. **EMPLOYEES AND DIRECTORS**

	31.3.23	31.3.22
	£	£
Wages and salaries	1,605,248	1,419,257
Social security costs	144,335	115,663
Other pension costs	32,619	30,090
	<u>1,782,202</u>	<u>1,565,010</u>

The average number of employees during the year was as follows:

	31.3.23	31.3.22
Operations	65	66
Administration	1	1
	<u>66</u>	<u>67</u>

	31.3.23	31.3.22
	£	£
Directors' remuneration	-	-

6. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.3.23	31.3.22
	£	£
Hire of plant and machinery	479	2,158
Depreciation - owned assets	158,730	122,848

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.23	31.3.22
	£	£
Bank loan interest	<u>135,985</u>	<u>70,699</u>

8. TAXATION

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31.3.23	31.3.22
	£	£
Current tax:		
UK corporation tax	206,490	158,731
Deferred tax	(3,542)	81,653
Tax on profit	<u>202,948</u>	<u>240,384</u>

UK corporation tax has been charged at 19% (2022 - 19%).

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.23	31.3.22
	£	£
Profit before tax	<u>1,017,616</u>	<u>767,164</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	193,347	145,761
Effects of:		
Expenses not deductible for tax purposes	12,336	6,312
Change of rate of Corporation Tax	(2,735)	88,311
Total tax charge	<u>202,948</u>	<u>240,384</u>

**Effects of future tax rate changes**

Legislation to increase corporation tax from 19% to 25% from 1 April 2023 had been enacted at the reporting date and thus the company's deferred tax liability has been calculated to take account of the new rate.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023

9. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 April 2022	4,000,000	134,183	509,587	-	4,643,770
Additions	-	-	33,066	10,000	43,066
At 31 March 2023	4,000,000	134,183	542,653	10,000	4,686,836
<b>DEPRECIATION</b>					
At 1 April 2022	32,800	81,176	323,947	-	437,923
Charge for year	63,928	997	92,555	1,250	158,730
At 31 March 2023	96,728	82,173	416,502	1,250	596,653
<b>NET BOOK VALUE</b>					
At 31 March 2023	3,903,272	52,010	126,151	8,750	4,090,183
At 31 March 2022	3,967,200	53,007	185,640	-	4,205,847

Included in cost of land and buildings is freehold land of £720,000 (2022 - £720,000) which is not depreciated.

10. FIXED ASSET INVESTMENTS

	Shares in group undertaking £
<b>COST</b>	
At 1 April 2022 and 31 March 2023	2,765,907
<b>NET BOOK VALUE</b>	
At 31 March 2023	2,765,907
At 31 March 2022	2,765,907

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**Minster Care Cheaney Limited**

Registered office: United Kingdom

Nature of business: Dormant Company

	% holding		
Class of shares:	100.00		
Ordinary		31.3.23 £	31.3.22 £
Aggregate capital and reserves		2,469,120	2,469,120

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023**

<b>11. INVENTORIES</b>	<b>31.3.23</b>	<b>31.3.22</b>
	<b>£</b>	<b>£</b>
Consumables	<b>2,000</b>	<b>2,000</b>
<b>12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>31.3.23</b>	<b>31.3.22</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>119,471</b>	164,848
Amounts owed by group undertakings	<b>2,892,759</b>	1,651,671
Tax	<b>49,183</b>	183
Prepayments	<b>12,484</b>	13,347
	<b>3,073,897</b>	<b>1,830,049</b>
<b>13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>31.3.23</b>	<b>31.3.22</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 15)	<b>199,614</b>	192,164
Payments on account	<b>191,403</b>	203,913
Trade creditors	<b>33,576</b>	50,399
Amounts owed to group undertakings	<b>3,252,466</b>	2,817,749
Tax	<b>-</b>	131,348
Social security and other taxes	<b>32,292</b>	34,709
Other creditors	<b>11,665</b>	778
Accruals and deferred income	<b>98,300</b>	106,694
	<b>3,819,316</b>	<b>3,537,754</b>
<b>14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	<b>31.3.23</b>	<b>31.3.22</b>
	<b>£</b>	<b>£</b>
Bank loans (see note 15)	<b>3,264,847</b>	3,464,461
<b>15. LOANS</b>		
An analysis of the maturity of loans is given below:		
	<b>31.3.23</b>	<b>31.3.22</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year or on demand:		
Bank loans	<b>199,614</b>	192,164
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<b>207,354</b>	199,614

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023

15. **LOANS - continued**

	31.3.23 £	31.3.22 £
Amounts falling due between two and five years: Bank loans - 2-5 years	<u>671,557</u>	<u>646,491</u>
Amounts falling due in more than five years: Repayable by instalments Bank loans - more than 5 years	<u>2,385,936</u>	<u>2,618,356</u>

16. **FINANCIAL INSTRUMENTS**

	31.03.2023 £	31.03.2022 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>3,012,230</u>	<u>1,816,519</u>
	<u>3,012,230</u>	<u>1,816,519</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>3,595,621</u>	<u>3,167,784</u>
	<u>3,595,621</u>	<u>3,167,784</u>

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group companies, accruals and deferred income.

17. **PROVISIONS FOR LIABILITIES**

	31.3.23 £	31.3.22 £
Deferred tax	<u>364,418</u>	<u>367,960</u>
		<b>Deferred tax</b>
		£
Balance at 1 April 2022		<b>367,960</b>
Credit to Income Statement during year		<b>(3,542)</b>
Balance at 31 March 2023		<u><b>364,418</b></u>



18. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	31.3.23	31.3.22
Number:	Class:		£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

All shares issued are non-redeemable and entitled to one vote per share in any circumstances. Each share is also entitled pari passu to dividend payments or any other distribution, including a distribution arising from a winding up of the company.

19. **RESERVES**

	Retained earnings £
At 1 April 2022	1,824,248
Profit for the year	<u>814,668</u>
At 31 March 2023	<u>2,638,916</u>

20. **ULTIMATE PARENT COMPANY**

Minster Care Group Ltd is regarded by the directors as being the company's ultimate parent company.

21. **RELATED PARTY DISCLOSURES**

The company is a wholly owned subsidiary of Minster Care Group Limited and as such has taken advantage of the exemption permitted by FRS 102 Section 33 'Related party disclosures' not to provide disclosures of transactions entered into with other wholly owned members of the group.

The company is included within the consolidated financial statements of Minster Care Group Limited, which are publicly available and can be obtained from the registered office at 238 Station Road, Addlestone, Surrey KT15 2PS.

22. **ULTIMATE CONTROLLING PARTY**

Mahesh and Alka Patel are considered to be the ultimate controlling party by virtue of their shareholding and the ability to act in concert.