

ROSEBERRY CARE CENTRES GB LIMITED

Annual Report and Financial Statements
for the Year Ended 31 December 2022

Roseberry Care Centres GB Limited

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Roseberry Care Centres GB Limited

Company Information

Directors	Mrs J D Thomas Mr R S Vanderschrick Mr L Baten Mr P A Cott
Company secretary	Ms M Summerson
Registered office	84 Brook Street London W1K 5EH
Solicitors	Endeavour Partnership Tobias House St Mark's Court Teesdale Business Park Teesside TS17 6QW
Bankers	Santander Corporate Banking Level 9, Baltic Place South Shore Road Gateshead NE8 3AE
Auditor	Azets Audit Services Chartered Accountants & Statutory Auditor 1 Massey Road Thomaby Stockton-on-Tees TS17 6DY

Roseberry Care Centres GB Limited

Strategic Report for the Year Ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

Principal activity

The principal activity of the company is the running of care homes.

Fair review of the business

Roseberry Care Centres GB Limited is a care home operator providing residential and nursing care, primarily across the north of England. At the date of the accounts the company were caring for approximately 620 residents in 14 care settings.

On 5th May 2023 the group to which the company belongs, was acquired by AcalisCare, a Belgium based, global provider of care homes and services.

The Company's loss on ordinary activities before tax for the year ended 31st December 2022 amounted to £239,694 (2021 - £2,120,505 profit).

The company had net assets of £1,858,864 (2021 - £2,115,370).

During the year the company reinvested over £730,000 of capital expenditure back into its homes. This investment has facilitated a high standard of refurbishment throughout the homes.

The board of Roseberry Care Centres GB Limited do not recommend the payment of an interim dividend (2021 - £1.7m) to its parent company, namely Cleveland Healthcare Group Limited.

The board have not recommended the payment of a final dividend (2021 - £Nil).

The company's key financial and other performance indicators during the year were as follows:

	Unit	2022	2021
Occupancy	%	85	86
Average weekly fee	£	743	725
Staffing costs as % of fee income*	%	66	62
Home running costs as % of fee income*	%	15	15
Rent cover ratios*		1	2
EBITDAR as % of fee income*	%	19	24

*Note the above ratios exclude grant income and COVID-19 support payments.

In addition to the above, the company also closely monitors and acts upon inspections by the regulator and its two dedicated quality inspection managers which has resulted in an improvement to its CWC (Care Quality Commission) ratings. At the date of the accounts 10 out of the 14 of the company's care homes were rated 'Good' with the CQC (2021- 9).

Going concern

The company's going concern is dependent on the overall going concern position of the parent group, namely Cleveland Healthcare Group Ltd.

The Directors have reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. The Directors therefore believe it is appropriate to prepare the financial statements on a going concern basis.

At 31 December 2022 the company reported net current assets of £641,623 and net assets of £1,858,864.

Roseberry Care Centres GB Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Going concern (continued)

2022 saw a significant reduction in Covid-19 infections amongst residents and staff which has continued into 2023. Life in our homes has returned to a more usual feel. The biggest issue faced by the company during the reporting period was the availability of nursing and care staff, partly caused by the exodus of overseas employees following Brexit. This has resulted in a higher reliance on agency staff which has increased our staffing costs. This challenge continued into 2023 but since the acquisition by AcalisCare, measures introduced by the new owners have led to a significant reduction in agency costs and as a result the trading performance of the company has greatly improved. Based on the above indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. Forecasts for the next 12 months have been prepared which assume a certain level of occupancy and taking into account reasonable possible changes in trading performance, the company is expected to have sufficient level of financial resource available through the next 12 months. Therefore after making enquiries, the directors have a reasonable expectation that the company has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis.

Principal risks and uncertainties

The company has an established and structured approach to risk management. The company's activities expose it to a variety of financial risks and it has adopted risk management policies that seek to mitigate these risks in a cost effective manner.

Credit risk

The company's main financial assets are bank balances, cash and trade receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The company's largest customers are primarily local councils with social services responsibilities and NHS clinical commissioning groups.

Liquidity risk

The company has continued to maintain liquidity and sufficient working capital for its ongoing operations and future developments.

Operational risks

The company's activities expose it to a number of operational risks including reputation and of a regulatory nature.

Reputational risk

In order to mitigate this risk the company delivers a comprehensive package of employee training as well as performance management via formal and informal meetings with all of its employees. In addition the management team have improved and strengthened the collaborative working relationships with local authority and NHS commissioners.

Regulatory risk

In order to mitigate this risk the group has employed two dedicated quality inspection managers who carry out mock inspections and provide action plans where appropriate. The group has also invested in additional regional support managers who's role is to support the regional operations managers and the homes within that region, in order to maintain and improve regulatory compliance and to develop improved commercial business strategies as directed by senior management.

Other risk

The group employs dedicated regional administrators who carry out unannounced financial audits in the homes. This establishes that financial procedures are being carried out in line with group policies and helps to mitigate the risk of potential financial fraud.

Roseberry Care Centres GB Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Future developments

The company will continue to seek to add growth by challenging and reviewing its current operations and carefully considering any potential, targeted acquisitions.

Approved and authorised for issue by the Board on 28 September 2023 and signed on its behalf by:

.....

Mrs J D Thomas

Director

Roseberry Care Centres GB Limited

Directors' Report for the Year Ended 31 December 2022

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

Directors of the company

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

Mrs J D Thomas (appointed 10 May 2022)

Mr M Dumble (resigned 2 June 2023)

Mrs M J Auckland (resigned 25 January 2023)

The following directors were appointed after the year end:

Mr R S Vanderschrick (appointed 5 May 2023)

Mr L Baten (appointed 5 May 2023)

Mr P A Cott (appointed 5 May 2023)

Financial instruments

Objectives and policies

The company finances its activities with a combination of working capital and loans from related parties. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the Company's operating activities. See disclosures in the Strategic Report in respect of the financial risk management of the Company.

Employment of disabled persons

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Employee involvement

During the year, the policy of providing employees with information about the Company has continued through internal media methods in which employees are encouraged to present their suggestions and views on the Company's performance. Regular meetings are held between local management and employees to allow free flow of information and ideas.

Future developments

See disclosures within the Strategic Report regarding future developments of the Company.

Going concern

The impact of COVID-19 upon the company is included in the Strategic Report and Note 2.

Disclosure of information to the auditor

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

Roseberry Care Centres GB Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved and authorised for issue by the Board on 28 September 2023 and signed on its behalf by:

.....

Mrs J D Thomas

Director

Roseberry Care Centres GB Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Roseberry Care Centres GB Limited

Independent Auditor's Report to the Members of Roseberry Care Centres GB Limited

Opinion

We have audited the financial statements of Roseberry Care Centres GB Limited (the 'company') for the year ended 31 December 2022, which comprise the Income Statement, Statement of Financial Position, 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 December 2022 and of its loss 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 responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Roseberry Care Centres GB Limited

Independent Auditor's Report to the Members of Roseberry Care Centres GB Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters 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 Statement of Directors' Responsibilities [set out on page 7], 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.

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:

- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness;
- enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;

Roseberry Care Centres GB Limited

Independent Auditor's Report to the Members of Roseberry Care Centres GB Limited (continued)

- challenging assumptions and judgements made by management in their significant accounting estimates; and
- reviewing financial statement disclosures and testing to support documentation.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Social Care Act 2008, Health and Safety; employment law (including the Working Time Directive); and compliance with the UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Christopher Potter BA (Hons) ACA (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Statutory Auditor

Chartered Accountants

1 Massey Road

Thornaby

Stockton-on-Tees

TS17 6DY

28 September 2023

Azets Audit Services is a trading name of Azets Audit Services Limited

Roseberry Care Centres GB Limited

Income Statement for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Turnover	<u>3</u>	23,994,300	23,449,413
Cost of sales		<u>(17,839,549)</u>	<u>(15,929,793)</u>
Gross profit		6,154,751	7,519,620
Administrative expenses		(7,656,073)	(6,937,269)
Other operating income	<u>4</u>	<u>1,261,257</u>	<u>1,541,084</u>
Operating (loss)/profit	<u>5</u>	(240,065)	2,123,435
Other interest receivable and similar income	<u>6</u>	425	-
Interest payable and similar expenses	<u>7</u>	<u>(54)</u>	<u>(2,930)</u>
(Loss)/profit before tax		(239,694)	2,120,505
Taxation	<u>11</u>	<u>(16,812)</u>	<u>(424,141)</u>
(Loss)/profit for the financial year		<u><u>(256,506)</u></u>	<u><u>1,696,364</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 14 to 25 form an integral part of these financial statements.

Roseberry Care Centres GB Limited

(Registration number: 06281674)

Statement of Financial Position as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	<u>12</u>	1,440,527	1,297,738
Current assets			
Stocks	<u>13</u>	37,600	31,223
Debtors	<u>14</u>	2,142,487	1,567,444
Cash at bank and in hand		2,152,547	3,557,072
		<u>4,332,634</u>	<u>5,155,739</u>
Creditors: Amounts falling due within one year	<u>15</u>	<u>(3,691,011)</u>	<u>(4,131,633)</u>
Net current assets		<u>641,623</u>	<u>1,024,106</u>
Total assets less current liabilities		2,082,150	2,321,844
Provisions for liabilities	<u>16</u>	<u>(223,286)</u>	<u>(206,474)</u>
Net assets		<u>1,858,864</u>	<u>2,115,370</u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		<u>1,858,862</u>	<u>2,115,368</u>
Total equity		<u>1,858,864</u>	<u>2,115,370</u>

Approved and authorised for issue by the Board on 28 September 2023 and signed on its behalf by:

.....
 Mrs J D Thomas
 Director

The notes on pages 14 to 25 form an integral part of these financial statements.

Roseberry Care Centres GB Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2021	2	2,145,226	2,145,228
Profit for the year	-	1,696,364	1,696,364
Total comprehensive income	-	1,696,364	1,696,364
Dividends	-	(1,726,222)	(1,726,222)
At 31 December 2021	2	2,115,368	2,115,370
	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2022	2	2,115,368	2,115,370
Loss for the year	-	(256,506)	(256,506)
Total comprehensive income	-	(256,506)	(256,506)
At 31 December 2022	2	1,858,862	1,858,864

The notes on pages 14 to 25 form an integral part of these financial statements.

Roseberry Care Centres GB Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is 84 Brook Street, London, W1K 5EH.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

These financial statements are presented in sterling which is the functional currency of the entity.

Summary of disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

(a) Disclosures in respect of each class of share capital have not been presented.

(b) No cash flow statement has been presented for the company.

(c) Disclosures in respect of financial instruments have not been presented.

(d) No disclosure has been given for the aggregate remuneration of key management personnel.

The Company has taken advantage of the exemption available under paragraph 33.1A of FRS 102 and does not disclose related party transactions with members of the same group that are wholly owned.

Going concern

The company's going concern is dependent on the overall going concern position of the parent group, namely Cleveland Healthcare Group Ltd.

The Directors have reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. The Directors therefore believe it is appropriate to prepare the financial statements on a going concern basis.

At 31 December 2022 the company reported net current assets of £641,623 and net assets of £1,858,864.

Roseberry Care Centres GB Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Going concern (continued)

2022 saw a significant reduction in Covid-19 infections amongst residents and staff which has continued into 2023. Life in our homes has returned to a more usual feel. The biggest issue faced by the company during the reporting period was the availability of nursing and care staff, partly caused by the exodus of overseas employees following Brexit. This has resulted in a higher reliance on agency staff which has increased our staffing costs. This challenge continued into 2023 but since the acquisition by AcalisCare, measures introduced by the new owners have led to a significant reduction in agency costs and as a result the trading performance of the company has greatly improved. Based on the above indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. Forecasts for the next 12 months have been prepared which assume a certain level of occupancy and taking into account reasonable possible changes in trading performance, the company is expected to have sufficient level of financial resource available through the next 12 months. Therefore after making enquiries, the directors have a reasonable expectation that the company has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis.

Judgements

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

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators of impairment - In assessing whether there have been indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability.

Assessing nature of lease - The Company has entered into commercial leases and as a lessee it obtains use of property, plant and equipment. The classification as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

Taxation - Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Roseberry Care Centres GB Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Useful economic lives of tangible assets - The annual depreciation charge is sensitive to changes in the estimated useful lives of the assets. The useful economic lives are re-assessed annually. They are amended when necessary to reflect current estimates, future investments and economic utilisation. The carrying amount is £1,440,527 (2021 - £1,297,738).

Impairment of debtors - The company makes an estimate of the recoverable value of the trade and other debtors. When assessing impairment of trade and other debtor, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Revenue recognition

Revenue from providing nursing and care services is measured by reference to period of occupancy.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grant will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the assets expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the assets carrying amount.

Government grants included within other operating income includes the UK Government assistance provided through Coronavirus Job Retention Scheme and the Adult Social Care Infection Control Fund during the Covid-19 pandemic.

Tax

The tax expense for the period comprises deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current 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 taxable income.

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

Roseberry Care Centres GB Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Long leasehold property	4 years straight line
Plant and machinery	4 years straight line
Fixtures and fittings	4 years straight line
Motor vehicles	4 years straight line
Equipment	4 years straight line

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stock, consisting of consumables and cleaning supplies, are recorded at cost.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Roseberry Care Centres GB Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance costs in the income statement and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Roseberry Care Centres GB Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2022	2021
	£	£
Provision of nursing and care services	23,994,300	23,449,413

4 Other operating income

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

	2022	2021
	£	£
Government grants	1,261,257	1,541,084

Government grants consist of the Coronavirus Job Retention Scheme and the Adult Social Care Infection Control Fund grants.

5 Operating (loss)/profit

Arrived at after charging/(crediting)

	2022	2021
	£	£
Depreciation expense	577,488	497,311
Operating lease rentals	3,428,064	3,407,715

6 Other interest receivable and similar income

	2022	2021
	£	£
Other finance income	425	-

7 Interest payable and similar expenses

	2022	2021
	£	£
Interest on obligations under finance leases and hire purchase contracts	54	161
Interest expense on other finance liabilities	-	2,769
	54	2,930

Roseberry Care Centres GB Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

8 Staff costs

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

	2022	2021
	£	£
Wages and salaries	16,299,073	14,202,262
Social security costs	1,016,465	848,896
Pension costs, defined contribution scheme	209,290	191,109
	<u>17,524,828</u>	<u>15,242,267</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2022	2021
	No.	No.
Care staff	770	809
Administrative staff	41	41
	<u>811</u>	<u>850</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022	2021
	£	£
Remuneration	202,431	181,194
Contributions paid to money purchase schemes	5,391	4,484
	<u>207,822</u>	<u>185,678</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2022	2021
	No.	No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

In respect of the highest paid director:

	2022	2021
	£	£
Remuneration	73,350	156,521
Company contributions to money purchase pension schemes	<u>5,391</u>	<u>-</u>

Roseberry Care Centres GB Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

10 Auditor's remuneration

	2022 £	2021 £
Audit of the financial statements	19,305	17,600
Other fees to auditors		
Taxation compliance services	1,265	-

11 Taxation

Tax charged/(credited) in the income statement

	2022 £	2021 £
Current taxation		
UK corporation tax	-	317,653
Deferred taxation		
Arising from origination and reversal of timing differences	16,812	106,488
Tax expense in the income statement	16,812	424,141

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

The differences are reconciled below:

	2022 £	2021 £
(Loss)/profit before tax	(239,694)	2,120,505
Corporation tax at standard rate	(45,542)	402,896
Effect of revenues exempt from taxation	-	(26,802)
Deferred tax expense relating to changes in tax rates or laws	4,036	49,554
Tax increase arising from group relief	79,668	-
Other tax effects for reconciliation between accounting profit and tax expense (income)	(21,350)	(1,507)
Total tax charge	16,812	424,141

Roseberry Care Centres GB Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

11 Taxation (continued)

Deferred tax

Deferred tax assets and liabilities

	Liability £
2022	
Accelerated capital allowances	231,245
Other timing differences	(7,960)
	<u>223,285</u>
2021	Liability £
Accelerated capital allowances	216,276
Other timing differences	(9,803)
	<u>206,473</u>

12 Tangible assets

	Long leasehold property £	Fixtures and fittings £	Plant and machinery £	Equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 January 2022	624,289	1,397,939	1,797,397	285,932	9,680	4,115,237
Additions	137,909	142,192	412,630	39,029	-	731,760
At 31 December 2022	762,198	1,540,131	2,210,027	324,961	9,680	4,846,997
Depreciation						
At 1 January 2022	444,112	1,112,672	1,049,318	201,717	9,680	2,817,499
Charge for the year	86,687	144,690	320,882	36,712	-	588,971
At 31 December 2022	530,799	1,257,362	1,370,200	238,429	9,680	3,406,470
Carrying amount						
At 31 December 2022	231,399	282,769	839,827	86,532	-	1,440,527
At 31 December 2021	180,177	285,267	748,079	84,215	-	1,297,738

The amounts capitalised as Long leasehold property consist entirely of improvements made to leased properties.

Roseberry Care Centres GB Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Stocks

	2022 £	2021 £
Food and cleaning materials	37,600	31,223

14 Debtors

	2022 £	2021 £
Trade debtors	1,109,639	838,312
Amounts owed by group undertakings	723,020	506,224
Other debtors	89,844	49,253
Prepayments	219,984	173,655
	2,142,487	1,567,444

15 Creditors

	Note	2022 £	2021 £
Due within one year			
Loans and borrowings		-	389
Trade creditors		907,260	782,456
Amounts due to group undertakings	20	14,041	-
Social security and other taxes		232,054	198,954
Other creditors		1,209,839	1,185,284
Accruals and deferred income		1,327,817	1,836,897
Corporation tax liability		-	127,653
		3,691,011	4,131,633

16 Provisions for liabilities

	Deferred tax £	Total £
At 1 January 2022	206,474	206,474
Increase (decrease) in existing provisions	16,812	16,812
At 31 December 2022	223,286	223,286

Roseberry Care Centres GB Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

17 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £209,290 (2021 - £191,109).

Contributions totalling £4,753 (2021 - £24,419) were payable to the scheme at the end of the year and are included in creditors.

18 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	3,487,640	3,549,977
Later than one year and not later than five years	14,844,542	15,109,867
Later than five years	33,408,802	25,237,540
	<u>51,740,984</u>	<u>43,897,384</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £3,428,064 (2021 - £3,407,715).

19 Dividends

Interim dividends paid

	2022 £	2021 £
Interim dividend of £Nil (2021 - £863,111.00) per each Ordinary share	-	1,726,222
	<u> </u>	<u> </u>

20 Related party transactions

The Company has taken advantage of the the exemption available under paragraph 33.1A of FRS 102 and does not disclose related party transactions with members of the same group that are wholly owned.

Roseberry Care Centres GB Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

21 Parent and ultimate parent undertaking

The company's immediate parent is Cleveland Healthcare Group Limited, incorporated in England and Wales.

To 4 May 2023, the ultimate parent was Ceres Holdings Limited, incorporated in the Cayman Islands. On 5 May 2023, the ultimate parent become Olivetree Foundation, an entity registered in Liechtenstein.

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

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.