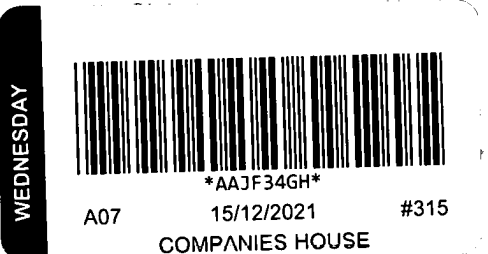


ST PHILIPS CARE CALEDONIA LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

PLANT & CO LIMITED

Chartered Accountants & Statutory Auditor
17 Lichfield Street
Stone
Staffordshire
ST15 8NA



COMPANY BUSINESS ADDRESS

Bridge House
57 High Street
Wednesfield
Wolverhampton
West Midlands
WV11 1ST
Telephone: 01902 737170

ST PHILIPS CARE CALEDONIA LIMITED

COMPANY INFORMATION

Directors Mr G M Hartland FCCA
Mrs K A Hartland ACCA

Secretary Dr A J Hartland

Company number 07013330

Registered office 17 Lichfield Street
Stone
Staffordshire
ST15 8NA

Auditor Plant & Co Limited
17 Lichfield Street
Stone
Staffordshire
ST15 8NA

Business address Bridge House
57 High Street
Wednesfield
UK
WV11 1ST

ST PHILIPS CARE CALEDONIA LIMITED

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ST PHILIPS CARE CALEDONIA LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

Fair review of the business

The principle activity of the company for the year was the provision of high quality nursing, residential and dementia care services primarily for on average 925 elderly residents.

Principal risks and uncertainties

The country is now free of restrictions put into place during the Covid-19 pandemic and the care homes are operating normally. The directors are pleased with the manner in which the company has coped throughout the pandemic. The future job market for the industry may change due to suggested policy changes by government concerning unvaccinated individuals, which the directors will address at the time.

Results

Turnover for the company was £20,572,602 (2020 £18,957,285).

The profit/(loss) after taxation for the year was £567,475 (2020 £205,101). The profit this year is stated after deducting exceptional costs relating to the write off of loans with other group companies of £nil (2020 £96,245). The company had net assets of £2,719,292 (2020 £2,151,817).

Key performance indicators

1. Profit Before Tax (after adjusting for exceptional costs) was £575,332 (2020 £310,928).
2. Occupancy Percentage is defined as the average occupied beds divided by the average available beds for the year and was 85% (2020 83%). The Directors are pleased that continued efforts to drive service quality is maintaining overall occupancy rates.
3. Available Beds, being the number of beds available for occupation during the year, was 1,092 (2020 1,089). The increase is the result of year on year investment in the refurbishment and extension of the properties.

Significant events

The company provides nursing and residential care to around 925 residents, all of which are funded through Local Authorities or other public sector commissioners. All of the properties from which the company trades are owned by another group company. It therefore enjoys protection against the risk of unreasonable lease increases. The UK aged care sector continues to experience problems over recruitment, the ongoing impact of the National Living Wage, changes in government policies and the challenge of recovering the true cost of providing quality care for Local Authority funded residents. The company deals with these issues in a proactive and disciplined manner, negotiating with Local Authorities to ensure that a sustainable financial model is at the heart of its service delivery.

Business model

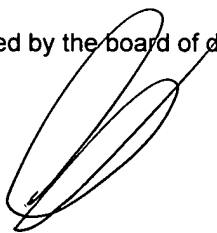
With improving occupancy rates, increasing cost efficiencies and the company's associated landlord company having stable funding sources, the directors are optimistic over future trade. The company acknowledges that a successful future will, to some extent, depend upon its ability to continually seek fair payment for the care that it provides to Local Authority funded residents but is confident in its ability to do so. It is committed to providing high quality care services and will continue invest in the infrastructure of the properties to ensure facilities are as good as they can be.

ST PHILIPS CARE CALEDONIA LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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



.....
Mr G M Hartland FCCA
Director

Date: 19 November 2021

ST PHILIPS CARE CALEDONIA LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Results and dividends

The results for the year are set out on page 11.

The directors do not recommend the payment of a dividend.

Directors

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

Mr G M Hartland FCCA

Mrs K A Hartland ACCA

Disabled persons

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

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

Post reporting date events

There were no material events up to the date of approval of the financial statements by the Board.

Future developments

The ageing population in the UK means that there will be an ever increasing need for care of the elderly and the director believes that the company, with its experience and reputation of offering an excellent level of service, is well placed to continue its performance and maintain financial stability.

There are no plans to expand the number of care homes operated by the company, but if the right opportunity arises, the directors would always look to acquire homes that would complement those currently held and contribute to the further financial success of the company

Auditor

The auditor, Plant & Co Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

ST PHILIPS CARE CALEDONIA LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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.

On behalf of the board



Mr G M Hartland FCCA
Director

19 November 2021

ST PHILIPS CARE CALEDONIA LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

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.

ST PHILIPS CARE CALEDONIA LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF ST PHILIPS CARE CALEDONIA LIMITED

Opinion

We have audited the financial statements of St Philips Care Caledonia Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

ST PHILIPS CARE CALEDONIA LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF ST PHILIPS CARE CALEDONIA 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 strategic report and the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

ST PHILIPS CARE CALEDONIA LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF ST PHILIPS CARE CALEDONIA LIMITED

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.

ST PHILIPS CARE CALEDONIA LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF ST PHILIPS CARE CALEDONIA LIMITED

As part of our planning process:

- We enquired of management the systems and controls the company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The company did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: FRS 102, Companies Act 2006 and the Care Act 2014.
- We considered the incentives and opportunities that exist in the company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the company, together with the discussions held with the company at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, as outlined in the notes.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations in particular those that are central to the entities ability to continue in operation.
- Testing key revenue lines, in particular cut-off, for evidence of management bias.
- Performing a physical verification of key assets, including stock.
- Obtaining third-party confirmation of material bank and loan balances.
- Documenting and verifying all significant related party transactions.
- Reviewing documentation such as the company board minutes, correspondence with solicitors, for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the directors.

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.

ST PHILIPS CARE CALEDONIA LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF ST PHILIPS CARE CALEDONIA LIMITED

Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.



Mr Peter Plant BA FGA (Senior Statutory Auditor)
For and on behalf of Plant & Co Limited

19 November 2021

Chartered Accountants
Statutory Auditor

17 Lichfield Street
Stone
Staffordshire
ST15 8NA

ST PHILIPS CARE CALEDONIA LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	3	20,572,602	18,957,285
Cost of sales		(1,386,784)	(959,792)
Gross profit		19,185,818	17,997,493
Administrative expenses		(28,375,310)	(26,715,068)
Other operating income		9,764,781	8,932,118
Operating profit	4	575,289	214,543
Interest receivable and similar income	8	43	140
Profit before taxation		575,332	214,683
Tax on profit	9	(7,857)	(9,582)
Profit for the financial year		567,475	205,101
Retained earnings brought forward		2,151,717	1,946,616
Retained earnings carried forward		2,719,192	2,151,717

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

ST PHILIPS CARE CALEDONIA LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Stocks	11	24,874		28,168	
Debtors	12	13,188,242		9,704,279	
Cash at bank and in hand		375,109		-	
		<u>13,588,225</u>		<u>9,732,447</u>	
Creditors: amounts falling due within one year	13	<u>(10,854,724)</u>		<u>(7,624,278)</u>	
Net current assets			2,733,501		2,108,169
Creditors: amounts falling due after more than one year	14		(50,000)		-
Provisions for liabilities					
Provisions	15	<u>(35,791)</u>		<u>(43,648)</u>	
			35,791		43,648
Net assets			<u>2,719,292</u>		<u>2,151,817</u>
Capital and reserves					
Called up share capital	17		100		100
Profit and loss reserves	19		<u>2,719,192</u>		<u>2,151,717</u>
Total equity			<u>2,719,292</u>		<u>2,151,817</u>

The financial statements were approved by the board of directors and authorised for issue on 19 November 2021 and are signed on its behalf by:

Mr G M Hartland FCCA
Director

Company Registration No. 07013330

ST PHILIPS CARE CALEDONIA LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	23		619,394		(218,592)
Income taxes paid			(153,829)		(9,582)
Net cash inflow/(outflow) from operating activities			465,565		(228,174)
Investing activities					
Interest received		43		140	
Net cash generated from investing activities			43		140
Net increase/(decrease) in cash and cash equivalents			465,608		(228,034)
Cash and cash equivalents at beginning of year			(90,499)		137,535
Cash and cash equivalents at end of year			375,109		(90,499)
Relating to:					
Cash at bank and in hand			375,109		-
Bank overdrafts included in creditors payable within one year			-		(90,499)

ST PHILIPS CARE CALEDONIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

St Philips Care Caledonia Limited is a private company limited by shares incorporated in England and Wales. The registered office is 17 Lichfield Street, Stone, Staffordshire, ST15 8NA. The principal place of business is Bridge House, 57 High Street, Wednesfield, UK, WV11 1ST.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value.

1.2 Going concern

At the time of approving the financial statements, the directors have no reason to doubt that the company has adequate resources to continue in operational existence for the foreseeable future. The Key Performance Indicators are strong and turnover and profits are increasing. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

The Company recognises turnover when it can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for Company's activity. The Company provides care home services and recognises turnover when the service has been delivered to the residents. The Company bases its estimate of return on historical results, taking into consideration the type of customer and the conditions of the service level agreement.

1.4 Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Stocks include food, cleaning products and oil retained by the care homes at the year end.

1.5 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.

ST PHILIPS CARE CALEDONIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.6 Financial instruments

Classification

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 entity after deducting all of its financial liabilities. Where shares are issued, any component that creates a financial liability of the Company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Recognition and measurement

The company applies the recognition and measurement principles as set out by FRS102.

Except for loans with other group companies, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking into account impairment adjustments.

Loans with other group companies are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

Basic financial assets

Trade debtors are amounts due from customers for services performed in the normal course of business.

Trade debtors are recognised initially at transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

ST PHILIPS CARE CALEDONIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

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

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

ST PHILIPS CARE CALEDONIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.7 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.

1.8 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.

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.

1.9 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.10 Employee benefits

ST PHILIPS CARE CALEDONIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.11 Retirement benefits

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

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

1.12 Leases

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

1.13 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 grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 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.

ST PHILIPS CARE CALEDONIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. The items in the financial statements where these judgements and estimates have been noted below:

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Loans with other group companies

The directors have considered the repayment terms of the amounts owed to it by other group companies and believe that it should be treated in the accounts as due for repayment within 12 months. This is based on the terms of the loan agreement which states that the sums are repayable on demand. As the loans are interest free, the directors have calculated the net present value of future cash flows of the loan based on the loan being repayable within 12 months. They do not consider the difference in valuation to amortised cost to be material in the accounts. The net carrying amount due from group undertakings at the year end was, £8,047,808 (2020 £6,780,614).

Debtors

The directors make an estimate of the recoverable amount owed by debtors. When assessing impairment of debtors, the directors assess the aging of the debt and historical experience. Due to the debtors being primarily Local Authorities, the directors believe that an impairment reserve of £nil appropriate at the year end (2020 £nil).

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.

3 Turnover and other revenue

	2021 £	2020 £
Turnover analysed by class of business		
Provision of care services	20,572,602	18,957,285
	<u>20,572,602</u>	<u>18,957,285</u>
	2021 £	2020 £
Other significant revenue		
Interest income	43	140
Grants received	2,358,572	-
Management charges receivable	7,313,014	8,899,566
Other operating income	93,195	32,552
	<u>93,195</u>	<u>32,552</u>

4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(2,358,572)	-
Operating lease charges	3,249,265	3,391,228
	<u>3,249,265</u>	<u>3,391,228</u>

ST PHILIPS CARE CALEDONIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	11,000	10,955

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Nursing staff	1,045	1,027
Administrative staff	40	46
Management staff	30	28
Total	1,115	1,101

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	18,621,435	17,176,814
Social security costs	1,253,781	1,150,753
Pension costs	284,165	259,704
Total	20,159,381	18,587,271

7 Directors' remuneration

The directors did not receive any remuneration during the year (2020 - £nil).

8 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	43	140
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	43	140

ST PHILIPS CARE CALEDONIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Taxation

	2021 £	2020 £
Deferred tax		
Origination and reversal of timing differences	7,857	9,582

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:

	2021 £	2020 £
Profit before taxation	575,332	214,683
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	109,313	40,790
Tax effect of expenses that are not deductible in determining taxable profit	-	18,287
Group relief	(101,456)	(49,495)
Effect of capital allowances and depreciation	7,857	-
Deferred tax movement in the year	(7,857)	-
Taxation charge for the year	7,857	9,582

10 Financial instruments

	2021 £	2020 £
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11 Stocks

	2021 £	2020 £
Raw materials and consumables	24,874	28,168

Stocks are balances of consumables and fuel held by the care homes at the year end.

12 Trade and other debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	1,944,858	2,095,391
Amounts owed by group undertakings	10,688,138	7,206,366
Other debtors	94,000	1,597
Prepayments and accrued income	461,246	400,925
	13,188,242	9,704,279

ST PHILIPS CARE CALEDONIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans and overdrafts		-	90,499
Trade creditors		4,382,538	3,707,260
Amounts due to group undertakings		2,640,330	425,751
Corporation tax		14,075	160,047
Other taxation and social security		1,794,896	1,741,197
Other creditors		1,870,765	1,256,912
Accruals and deferred income		152,120	242,612
		<u>10,854,724</u>	<u>7,624,278</u>

14 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other creditors	<u>50,000</u>	<u>-</u>

Other creditors represent deposits paid by tenants.

15 Provisions for liabilities

	2021 £	2020 £
Deferred tax	<u>(35,791)</u>	<u>(43,648)</u>

Movements on provisions:

	Deferred tax £
At 1 April 2020	(43,648)
Additional provisions in the year	<u>7,857</u>
At 31 March 2021	<u>(35,791)</u>

16 Employee benefits

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>284,165</u>	<u>259,704</u>

ST PHILIPS CARE CALEDONIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

17 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100

18 Contingencies

The company has entered into charges with Clydesdale Bank PLC (trading as both Clydesdale Bank and Yorkshire Bank) in respect of the borrowings of another group company, St James Investments Assets Limited. The charges are a cross guarantee and a counter indemnity. The loan balance at the year end that the charges cover was £26m (2020 £27.5m).

19 Profit and loss reserves

	2021 £	2020 £
At the beginning of the year	2,151,717	1,946,616
Profit for the year	567,475	205,101
At the end of the year	2,719,192	2,151,717

20 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for certain of its fixtures, fittings and equipment. Leases are negotiated for an average term of 5 years and the lessor in all cases is another group company.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	746,388	675,683
Between two and five years	1,293,313	1,866,923
In over five years	-	3,165
	2,039,701	2,545,771

21 Related party transactions

Transactions with related parties

ST PHILIPS CARE CALEDONIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

21 Related party transactions

The company is associated with other companies through the common directorship and control of Mr G M Hartland FCCA.

During the year the Company paid rents to other group undertakings under informal lease agreements and hire costs under formal lease agreements. The lease values are calculated using full market rates and the amounts payable under those leases was £3,342,460 (2020 £3,331,228).

As at the year end, the Company had loans to and from other group companies. The ability for the Company to recover amounts owed to it by other group undertakings is material to the understanding of these financial statements. The Directors are not aware of any circumstances that might require further disclosure or impact on the fair inclusion of the amounts recoverable in these financial statements. At the year end the net amount owed by other group companies was £8,047,808 (2020 £6,780,614).

The company is party to an agreement with other group companies which gives the lending company the automatic right of set off for any loan amount against amounts owed to it by other group companies and also enables the debt to be assigned to other group companies, if agreed by all parties. During the year the Company wrote off £nil (2020 £96,245) of loans due from other group companies.

In accordance with group policy and consistent with previous years, save for otherwise disclosed, no interest is charged to or by the company on other loans from or to other group companies.

During the year, companies within the group surrendered corporation tax losses to other group companies for no consideration.

Some professional fees in relation to the preparation of the financial information relating to group companies were borne and paid for by another group company.

During the period the company made management charges to other group companies totalling £7,343,014 (2020 £8,899,566).

22 Ultimate controlling party

The parent undertaking of the largest and smallest group within which the Company belongs and for which group accounts are prepared is Wingate Associates Limited, a company registered in England and Wales. Consolidated financial statements are available from Companies House at www.companieshouse.gov.uk.

The ultimate shareholder is The Bilbrook Trust, a trust based in Jersey, Channel Islands.

ST PHILIPS CARE CALEDONIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Cash generated from/(absorbed by) operations

	2021 £	2020 £
Profit for the year after tax	567,475	205,101
Adjustments for:		
Taxation charged	7,857	9,582
Investment income	(43)	(140)
Increase in provisions	7,857	9,583
Movements in working capital:		
Decrease in stocks	3,294	4,378
Increase in debtors	(3,483,963)	(2,040,940)
Increase in creditors	3,516,917	1,593,844
Cash generated from/(absorbed by) operations	619,394	(218,592)

24 Analysis of changes in net funds/(debt)

	1 April 2020 £	Cash flows £	31 March 2021 £
Cash at bank and in hand	-	375,109	375,109
Bank overdrafts	(90,499)	90,499	-
	(90,499)	465,608	375,109