

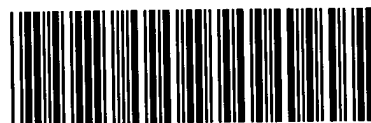
**TFS HEALTHCARE LIMITED**

**AUDITED**

**STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**TFS HEALTHCARE LIMITED**

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**COMPANY INFORMATION**

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<b>Director</b>	Ben Cabbage
<b>Registered number</b>	07351100
<b>Registered office</b>	One New Change New Change London England EC4M 9AF
<b>Independent auditors</b>	Wellers Accountants & Statutory Auditors 1 Vincent Square London SW1P 2PN

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**TFS HEALTHCARE LIMITED**

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**CONTENTS**

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	Page
<b>Strategic Report</b>	1 - 2
<b>Director's Report</b>	3 - 4
<b>Independent Auditors' Report</b>	5 - 8
<b>Statement of Comprehensive Income</b>	9
<b>Statement of Financial Position</b>	10
<b>Statement of Changes in Equity</b>	11
<b>Notes to the Financial Statements</b>	12 - 26

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## **TFS HEALTHCARE LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **Introduction**

The Board presents its strategic report for the year ended 31 December 2022. The report aims to present a balanced and comprehensive review of the development and performance of the company during the year. The review is consistent with the size and nature of the business and is written in the context of the risks and uncertainties faced by the business.

#### **Business review**

TFS Healthcare Limited provides permanent and temporary nursing staff solutions to the NHS and private hospital sectors.

During the year the company generated revenue of £46.1m, a gross profit of £8.9m and an operating profit of £1.1m.

The Board monitors the Company's performance using a variety of financial and non-financial measurements to maintain effective control over the business. These Key Performance Indicators include Turnover, Gross Profit and Gross Margin, which are summarised below.

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

The Board monitors operational and financial risk closely, ensuring the business can meet the demands of the healthcare sector and clients, whilst creating opportunities for growth.

The COVID-19 pandemic put enormous additional strain on the UK health systems, which were already under considerable pressure. Restrictions experienced during the pandemic and disruptions to services have seen demand fluctuate significantly.

The company operates within various NHS frameworks and private hospital agreements. Failure to meet the exacting standards of these frameworks could compromise the company's revenues. Accordingly, compliance and clinical governance is a critical part of the company's risk management processes.

There is continued pressure from the UK Government and NHS to reduce agency spend. However, the Board believes the extensive shortage of nurses and other health professionals is expected to maintain the demand for agency staff for the foreseeable future.

The company funds its operations through retained earnings and invoice financing facilities. The credit and cash-flow risk of trade debtors are managed by assessing credit worthiness and regular monitoring of debts outstanding. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due, and by negotiating extended credit terms with suppliers.

The company believes these measures provide sufficient finance for the business operations and for future growth.

#### **Financial key performance indicators**

The key performance indicators are turnover and gross profit margin. The turnover for the period was £46.1m. The gross profit margin for the period was £8.9m. The gross profit margin percentage for the period is 19.3%

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**TFS HEALTHCARE LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

DocuSigned by:  
  
.....  
**Ben Cambage**  
Director

Date: 28-09-23

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**TFS HEALTHCARE LIMITED**

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**DIRECTOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The director presents his report and the financial statements for the year ended 31 December 2022.

**Director's responsibilities statement**

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Results and dividends**

The profit for the year, after taxation, amounted to £835,671 (2021 - £1,387,389).

As detailed in note 12 to the financial statements, the company paid a dividend of £NIL during the year (2021: £350,000).

**Director**

The director who served during the year was:

Ben Cabbage

**Future developments**

The company continues to consolidate its position supporting the UK healthcare sector building on client relationships and assisting them in finding solutions to achieve their goals.

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**TFS HEALTHCARE LIMITED**

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**DIRECTOR'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Disclosure of information to auditors**

The director at the time when this Director's Report is approved has confirmed that:

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

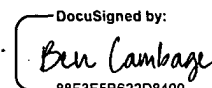
**Post balance sheet events**

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

**Auditors**

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

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

DocuSigned by:  
  
.....B8F3E59B622D8400.....  
Ben Cabbage  
Director

Date: 28-09-23

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**TFS HEALTHCARE LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TFS HEALTHCARE LIMITED**

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**Opinion**

We have audited the financial statements of TFS Healthcare Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the 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 director with respect to going concern are described in the relevant sections of this report.



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**TFS HEALTHCARE LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TFS HEALTHCARE LIMITED (CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The director is 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.

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

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

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Director's 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 director's 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 Director's Responsibilities Statement set out on page 3, the director is 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 director determines 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 director is 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 director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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**TFS HEALTHCARE LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TFS HEALTHCARE LIMITED (CONTINUED)**

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

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

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

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity. The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

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

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TFS HEALTHCARE LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TFS HEALTHCARE LIMITED (CONTINUED)

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DocuSigned by:

*Matthew Wyatt*

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Mr Matthew Wyatt (Senior Statutory Auditor)

for and on behalf of  
**Wellers**

Accountants  
Statutory Auditors

1 Vincent Square  
London  
SW1P 2PN  
Date: 28-09-23

## TFS HEALTHCARE LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	46,083,306	51,426,360
Cost of sales		(37,164,695)	(41,868,222)
Exceptional cost of sales		-	(178,375)
<b>Gross profit</b>		<b>8,918,611</b>	<b>9,379,763</b>
Administrative expenses		(7,956,164)	(7,737,306)
Other operating income	5	124,405	118,043
<b>Operating profit</b>		<b>1,086,852</b>	<b>1,760,500</b>
Interest receivable and similar income	9	39,674	40,004
Interest payable and similar expenses	10	(164,099)	(97,661)
<b>Profit before tax</b>		<b>962,427</b>	<b>1,702,843</b>
Tax on profit	11	(126,756)	(315,454)
<b>Profit for the financial year</b>		<b>835,671</b>	<b>1,387,389</b>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<b>835,671</b>	<b>1,387,389</b>


The notes on pages 12 to 26 form part of these financial statements.

**TFS HEALTHCARE LIMITED**  
**REGISTERED NUMBER: 07351100**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	14	103,384	115,204
		<u>103,384</u>	<u>115,204</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	14,122,965	12,284,226
Cash at bank and in hand	16	199,078	725,565
		<u>14,322,043</u>	<u>13,009,791</u>
Creditors: amounts falling due within one year	17	(10,023,721)	(9,547,622)
<b>Net current assets</b>		<u>4,298,322</u>	<u>3,462,169</u>
<b>Total assets less current liabilities</b>		<u>4,401,706</u>	<u>3,577,373</u>
<b>Provisions for liabilities</b>			
Deferred tax	18	(16,353)	(27,691)
		<u>(16,353)</u>	<u>(27,691)</u>
<b>Net assets</b>		<u>4,385,353</u>	<u>3,549,682</u>
<b>Capital and reserves</b>			
Called up share capital	19	100	100
Other reserves		521	521
Profit and loss account		4,384,732	3,549,061
		<u>4,385,353</u>	<u>3,549,682</u>

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

DocuSigned by:  
  
 88F05B862208400.....  
**Ben Cabbage**  
 Director

Date: 28-09-23

The notes on pages 12 to 26 form part of these financial statements.

## TFS HEALTHCARE LIMITED

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

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
<b>At 1 January 2021</b>	<b>100</b>	<b>521</b>	<b>2,511,672</b>	<b>2,512,293</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	1,387,389	1,387,389
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	1,387,389	1,387,389
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(350,000)	(350,000)
<b>Total transactions with owners</b>	-	-	(350,000)	(350,000)
<b>At 1 January 2022</b>	<b>100</b>	<b>521</b>	<b>3,549,061</b>	<b>3,549,682</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	835,671	835,671
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	835,671	835,671
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 December 2022</b>	<b>100</b>	<b>521</b>	<b>4,384,732</b>	<b>4,385,353</b>

The notes on pages 12 to 26 form part of these financial statements.

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**TFS HEALTHCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. General information**

The company is a private limited company which is incorporated and domiciled in the UK. The address of its principal place of business is One New Change, One New Change, London, EC4M 9AF, its registered address is One New Change, One New Change, London, EC4M 9AF.

**2. Accounting policies****2.1 Basis of preparation of financial statements**

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

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

The following principal accounting policies have been applied:

**2.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of TFS Hold Co Limited as at 31 December 2022 and these financial statements may be obtained from Companies House.

**2.3 Revenue**

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

**Rendering of services**

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

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

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**TFS HEALTHCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)****2.4 Government grants**

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

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

**2.5 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.6 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.7 Pensions****Defined contribution pension plan**

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

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



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**TFS HEALTHCARE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**2. Accounting policies (continued)****2.8 Current and deferred taxation**

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.9 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**2.10 Tangible fixed assets**

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

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

Depreciation is provided on the following basis:

Long-term leasehold property	-	Over the useful life of the lease
Office equipment	-	33% Straight Line

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

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

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**TFS HEALTHCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)****2.11 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**2.12 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.13 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.14 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.15 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**2.16 Financial instruments**

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

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**TFS HEALTHCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)****2.16 Financial instruments (continued)**

Financial instruments are recognised in the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

**Other financial assets**

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

**Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

**Financial liabilities**

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

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts

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**TFS HEALTHCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)****2.16 Financial instruments (continued)**

discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

**Other financial instruments**

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

**Derecognition of financial instruments****Derecognition of financial assets**

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

**Derecognition of financial liabilities**

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

**2.17 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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**TFS HEALTHCARE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as the Balance Sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. On the background, the directors consider there to be judgements applied on depreciation policy of the fixed assets as well as the accruals relating to costs received post year end. There are no other judgements in any other accounting policies that might have a material effect on the balances held at the Balance Sheet date.

**4. Turnover**

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

	2022 £	2021 £
Turnover	46,083,306	51,426,360
	<u>46,083,306</u>	<u>51,426,360</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	46,083,306	51,426,360
	<u>46,083,306</u>	<u>51,426,360</u>

**5. Other operating income**

	2022 £	2021 £
Other operating income	124,405	82,256
Government grants receivable	-	35,787
	<u>124,405</u>	<u>118,043</u>

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**TFS HEALTHCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**6. Auditors' remuneration**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditors for the audit of the Company's financial statements	<b>15,750</b>	<b>15,000</b>

**7. Employees**

Staff costs, including director's remuneration, were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>5,090,407</b>	<b>4,700,887</b>
Employers NI	<b>615,887</b>	<b>621,229</b>
Employers Pension	<b>318,922</b>	<b>565,875</b>
	<b><u>6,025,216</u></b>	<b><u>5,887,991</u></b>

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Employees	<b><u>105</u></b>	<b><u>111</u></b>

**8. Director's remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Director's emoluments	<b>240,625</b>	<b>212,500</b>
Directors pensions	<b>1,321</b>	<b>2,198</b>
	<b><u>241,946</u></b>	<b><u>214,698</u></b>

During the year retirement benefits were accruing to no directors (2021 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £240,625 (2021 - £212,500).

## TFS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**9. Interest receivable**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other interest receivable	39,674	40,004
	<u>39,674</u>	<u>40,004</u>

**10. Interest payable and similar expenses**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other loan interest payable	164,099	97,661
	<u>164,099</u>	<u>97,661</u>

**11. Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	138,094	287,763
	<u>138,094</u>	<u>287,763</u>
<b>Total current tax</b>	<u>138,094</u>	<u>287,763</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(11,338)	27,691
<b>Total deferred tax</b>	<u>(11,338)</u>	<u>27,691</u>
<b>Taxation on profit on ordinary activities</b>	<u>126,756</u>	<u>315,454</u>

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TFS HEALTHCARE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**11. Taxation (continued)**
**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - *lower than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	962,427	1,702,843
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	182,861	323,540
<b>Effects of:</b>		
Short-term timing difference leading to an increase (decrease) in taxation	(11,338)	27,691
Other differences leading to an increase (decrease) in the tax charge	7,335	7,832
Group relief	(52,102)	(43,609)
<b>Total tax charge for the year</b>	<b>126,756</b>	<b>315,454</b>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**12. Dividends**

	2022 £	2021 £
Dividends	-	350,000
	-	350,000



## TFS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

## 13. Exceptional items

	2022 £	2021 £
Cost of sales exceptional items	-	178,375
	<u>-</u>	<u>178,375</u>

Exceptional items relate to subcontractor labour amounts that were paid twice due a third party payroll provider entering liquidation and therefore being unable to settle the wages that were owed to the subcontractors.

## 14. Tangible fixed assets

	Long-term leasehold property £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2022	19,767	547,934	567,701
Additions	16,906	38,811	55,717
At 31 December 2022	<u>36,673</u>	<u>586,745</u>	<u>623,418</u>
<b>Depreciation</b>			
At 1 January 2022	-	452,497	452,497
Charge for the year on owned assets	2,348	65,189	67,537
At 31 December 2022	<u>2,348</u>	<u>517,686</u>	<u>520,034</u>
<b>Net book value</b>			
At 31 December 2022	<u>34,325</u>	<u>69,059</u>	<u>103,384</u>
At 31 December 2021	<u>19,767</u>	<u>95,437</u>	<u>115,204</u>

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**TFS HEALTHCARE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**14. Tangible fixed assets (continued)**

The net book value of land and buildings may be further analysed as follows:

	2022 £	2021 £
Long leasehold	34,325	19,767
	<u>34,325</u>	<u>19,767</u>

**15. Debtors**

	2022 £	2021 £
Trade debtors	5,422,176	5,694,634
Amounts owed by group undertakings	4,301,771	2,742,815
Other debtors	4,034,934	3,324,016
Prepayments and accrued income	364,084	522,761
	<u>14,122,965</u>	<u>12,284,226</u>

**16. Cash and cash equivalents**

	2022 £	2021 £
Cash at bank and in hand	199,078	725,565
	<u>199,078</u>	<u>725,565</u>

## TFS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

## 17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	251,996	545,362
Amounts owed to group undertakings	2,880,444	980,856
Corporation tax	935,995	1,002,913
Other taxation and social security	469,700	996,254
Other creditors	5,095,700	5,517,426
Accruals and deferred income	389,886	504,811
	<u>10,023,721</u>	<u>9,547,622</u>

The following liabilities were secured:

	2022 £	2021 £
Other creditors	4,276,979	4,968,025
	<u>4,276,979</u>	<u>4,968,025</u>

Details of security provided:

Included in the other creditors is an amount of £4,276,979 from Investec Capital Solutions Ltd (2021-£4,968,025) this is secured against debtors at the year end.

## 18. Deferred taxation

	2022 £
At beginning of year	(27,691)
Charged to profit or loss	(16,353)
Utilised in year	27,691
<b>At end of year</b>	<u><u>(16,353)</u></u>

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**TFS HEALTHCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**18. Deferred taxation (continued)**

The provision for deferred taxation is made up as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<b>(16,353)</b>	<b>(27,691)</b>
	<u><b>(16,353)</b></u>	<u><b>(27,691)</b></u>

**19. Share capital**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
10,000 (2021 - 10,000) Ordinary shares of £0.01 each	<b>100</b>	<b>100</b>
	<u><b>100</b></u>	<u><b>100</b></u>

**20. Pension commitments**

TFS Healthcare Limited operates defined contribution schemes. The assets of the schemes are held separately from those of the group in independently administered funds.

The pension cost charge represents contributions payable by the companies to the funds and amounted to £318,922 (2021- £565,875).

**21. Commitments under operating leases**

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	<b>14,776</b>	<b>326,790</b>
Later than 1 year and not later than 5 years	<b>-</b>	<b>13,242</b>
	<u><b>14,776</b></u>	<u><b>340,032</b></u>

**22. Transactions with directors**

£2,198,713 (2021- £1,861,740) owed by the company director with interest charged at the official rate of interest 2.00%. The loan is repayable on demand.

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**TFS HEALTHCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**23. Related party transactions**

At the balance sheet date, TFS Healthcare Ltd has the following positions with companies under common control. There is no provision of uncollectable balances, the loans are interest free and deemed repayable on demand.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Soleus People Limited	<b>(2,880,444)</b>	<b>(980,856)</b>
TFS Holdco Limited	<b>4,301,771</b>	<b>2,742,815</b>
Aspect Healthcare Limited	<b>(107,098)</b>	<b>13,100</b>
Complete Life Ltd	<b>68,519</b>	<b>67,769</b>
TFS Homecare Limited	<b>35,862</b>	<b>30,365</b>
Innovate Complex Care Services Ltd	<b>725,697</b>	<b>551,045</b>
Found by Few Ltd	<b>140,918</b>	<b>61,902</b>
Innovate Care Bridge Limited	<b>(199,232)</b>	<b>(218,294)</b>
	<hr/> <b>2,085,993</b> <hr/>	<hr/> <b>2,267,846</b> <hr/>

**24. Controlling party**

The controlling party is TFS HoldCo Limited, a company registered in England and Wales. B Cambage by virtue of his majority shareholding in TFS HoldCo Limited, is the ultimate controlling party.