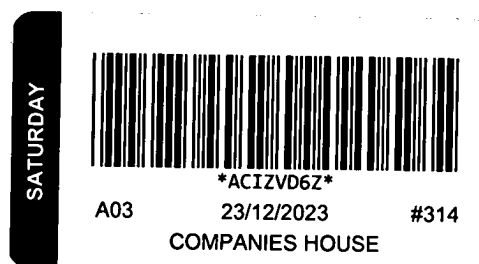


COMPANY REGISTRATION NUMBER: 08384847

Eastern Healthcare Limited
Financial statements
31 March 2023



Eastern Healthcare Limited

Strategic report

Year ended 31 March 2023

In the following paragraphs we aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. The company currently operates three care homes in Norfolk and Suffolk providing 24 hour care and support for people suffering from dementia and other mental health conditions.

The Key Performance Indicators (KPIs) for the Company are occupancy rates and turnover and we continue to perform well against both of these. Occupancy has remained very strong and we continue to perform above industry standards (2022: 97% vs 2023 97%). Turnover has also increased compared to the previous year, mainly due to increases in fee rates both from the local authority and privately (2022: £4,618,478 vs 2023 £5,048,941).

The population in the UK is ageing therefore this provides a good foundation for the business to continue to grow and meet our KPI targets, however our main objective is to provide a high level of person centred care and help to the people in our care homes.

The main risks to the business include the implications of failing to meet the high standards demanded by the regulatory environment, limited fee growth from local authorities and from cost increases mainly due to the introduction of the living wage which has pushed up wage costs and will continue to do so in the foreseeable future.

In order to combat these risks as a company we ensure that we have robust governance measures in place and invest in good quality staff. To mitigate the risk of increasing costs and low fee growth from local authority our strategy will continue to be to invest in the each of the homes and maintain them to an excellent standard in order to attract privately funded clientele.

This report was approved by the board of directors on 21/12/2023 and signed on behalf of the board by:



Mr J Chong
Director

Registered office:
15 Romany Road
Lowestoft
Suffolk
United Kingdom
NR32 3PJ

Eastern Healthcare Limited

Directors' report

Year ended 31 March 2023

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

Directors

The directors who served the company during the year were as follows:

Mr J Chong
Mrs N A Chong
Dr P D J Premachandra
Mrs W Premachandra
Mr K Mylne

Dividends

Particulars of recommended dividends are detailed in note 14 to the financial statements.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 21/12/2023 and signed on behalf of the board by:



Mr J Chong
Director

Registered office:
15 Romany Road
Lowestoft
Suffolk
United Kingdom
NR32 3PJ

Eastern Healthcare Limited

Directors' responsibilities statement

Year ended 31 March 2023

The directors are responsible for preparing the strategic report, directors' 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 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.

Eastern Healthcare Limited

Independent auditor's report to the members of Eastern Healthcare Limited

Year ended 31 March 2023

Opinion

We have audited the financial statements of Eastern Healthcare Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of income and retained earnings, statement of financial position 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 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 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Eastern Healthcare Limited

Independent auditor's report to the members of Eastern Healthcare Limited (continued)

Year ended 31 March 2023

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and 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.

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 directors' report.

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

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

Responsibilities of directors

As explained more fully in the 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.

Eastern Healthcare Limited

Independent auditor's report to the members of Eastern Healthcare Limited (continued)

Year ended 31 March 2023

Auditor's responsibilities for the audit of the financial statements

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

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

- Enquiry of management and those charged with governance to confirm there are no instances of fraud or non-compliance with laws and regulations.
- Review of CQC reports to ensure compliance with laws and regulations.
- Reviewing journal entries to ensure they are appropriate and do not indicate management override.
- Review of key accounting estimates, to ensure reasonable and no signs of management bias.
- Review of disclosures within the financial statements to ensure compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Eastern Healthcare Limited

Independent auditor's report to the members of Eastern Healthcare Limited (continued)

Year ended 31 March 2023

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. This description forms part of our auditor's report.

Use of our report

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



Gary Platt FCA FCCA (Senior Statutory Auditor)

For and on behalf of
Lovewell Blake LLP
Chartered accountants & statutory auditor
Excelsior House
9 Quay View Business Park
Barnards Way
Lowestoft
NR32 2HD

22 December 2023

Eastern Healthcare Limited

Statement of income and retained earnings

Year ended 31 March 2023

	Note	2023 £	2022 £
Turnover	4	5,048,941	4,618,478
Cost of sales		(3,587,531)	(3,330,310)
Gross profit		1,461,410	1,288,168
Administrative expenses		(697,655)	(85,886)
Other operating income	5	—	289,444
Operating profit	6	763,755	1,491,726
Income from participating interests	10	—	30,852
Other interest receivable and similar income	11	15,149	3,080
Interest payable and similar expenses	12	(178,505)	(106,584)
Profit before taxation		600,399	1,419,074
Tax on profit	13	(148,012)	(248,529)
Profit for the financial year and total comprehensive income		452,387	1,170,545

All the activities of the company are from continuing operations.

The notes on pages 10 to 21 form part of these financial statements.

Eastern Healthcare Limited

Statement of financial position

31 March 2023

	Note	2023 £	£	2022 £	£
Fixed assets					
Intangible assets	15		471,294		712,537
Tangible assets	16		3,830,749		3,973,456
Investments	17		118,350		43,426
			<u>4,420,393</u>		<u>4,729,419</u>
Current assets					
Stocks	18	2,600		3,577	
Debtors	19	2,373,777		2,346,495	
Cash at bank and in hand		<u>1,267,235</u>		<u>1,197,367</u>	
		3,643,612		3,547,439	
Creditors: Amounts falling due within one year	20	<u>(840,453)</u>		<u>(1,210,186)</u>	
Net current assets			2,803,159		2,337,253
Total assets less current liabilities			7,223,552		7,066,672
Creditors: Amounts falling due after more than one year	21		(3,518,261)		(3,616,939)
Provisions					
Taxation including deferred tax	23		<u>(160,513)</u>		<u>(175,342)</u>
Net assets			<u>3,544,778</u>		<u>3,274,391</u>
Capital and reserves					
Called up share capital	27		100		100
Profit and loss account	28		3,544,678		3,274,291
Shareholders funds			<u>3,544,778</u>		<u>3,274,391</u>

These financial statements were approved by the board of directors and authorised for issue on 21/12/2023, and are signed on behalf of the board by:



Mr J Chong
Director

Company registration number: 08384847

The notes on pages 10 to 21 form part of these financial statements.

Eastern Healthcare Limited

Notes to the financial statements

Year ended 31 March 2023

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 15 Romany Road, Lowestoft, Suffolk, NR32 3PJ, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Eastern Healthcare (Holdings) Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) Disclosures in respect of share-based payments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

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. 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.

Revenue recognition

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

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Eastern Healthcare Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Income tax *(continued)*

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating 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.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	- 10% straight line
----------	---------------------

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Eastern Healthcare Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Fixtures and fittings	-	15% straight line
Motor vehicles	-	25% straight line
Equipment	-	25% straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Eastern Healthcare Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Finance leases and hire purchase contracts

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Eastern Healthcare Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

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.

4. Turnover

Turnover arises from:

	2023	2022
	£	£
Care fees received	<u>5,048,941</u>	<u>4,618,478</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Other operating income

	2023	2022
	£	£
Government grant income	<u>—</u>	<u>289,444</u>

Eastern Healthcare Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2023	2022
	£	£
Amortisation of intangible assets	241,243	241,243
Depreciation of tangible assets	176,387	167,543
Gains on disposal of tangible assets	—	(579,513)
	<u> </u>	<u> </u>

7. Auditor's remuneration

	2023	2022
	£	£
Fees payable for the audit of the financial statements	<u>12,500</u>	<u>9,650</u>

8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2023	2022
	No.	No.
Administrative staff	2	2
Care staff	<u>185</u>	<u>188</u>
	<u>187</u>	<u>190</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2023	2022
	£	£
Wages and salaries	2,646,139	2,601,914
Social security costs	138,538	127,885
Other pension costs	<u>116,449</u>	<u>97,876</u>
	<u>2,901,126</u>	<u>2,827,675</u>

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2023	2022
	£	£
Remuneration	88,984	31,622
Company contributions to defined contribution pension plans	<u>80,000</u>	<u>60,360</u>
	<u>168,984</u>	<u>91,982</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2023	2022
	No.	No.
Defined contribution plans	<u>4</u>	<u>4</u>

Eastern Healthcare Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

10. Income from participating interests

	2023 £	2022 £
Dividends from participating interests	<u>—</u>	<u>30,852</u>

11. Other interest receivable and similar income

	2023 £	2022 £
Other interest receivable and similar income	<u>15,149</u>	<u>3,080</u>

12. Interest payable and similar expenses

	2023 £	2022 £
Other interest payable and similar charges	<u>178,505</u>	<u>106,584</u>

13. Tax on profit

Major components of tax expense

	2023 £	2022 £
Current tax:		
UK current tax expense	162,842	247,591
Deferred tax:		
Origination and reversal of timing differences	<u>(14,830)</u>	<u>938</u>
Tax on profit	<u>148,012</u>	<u>248,529</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2022: lower than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

The differences are explained below:-

	2023 £	2022 £
Profit on ordinary activities before taxation	<u>600,399</u>	<u>1,419,074</u>
Profit on ordinary activities by rate of tax	114,076	269,624
Adjustment to tax charge in respect of prior periods	1	—
Effect of expenses not deductible for tax purposes	599	560
Effect of capital allowances and depreciation	48,166	(88,124)
Dividend income not taxed	—	(5,859)
Deferred tax movement	(14,830)	938
Effect of capital gain on disposals of tangible assets	—	71,390
Tax on profit	<u>148,012</u>	<u>248,529</u>

Eastern Healthcare Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

13. Tax on profit *(continued)*

Factors that may affect future tax expense

The standard rate of UK corporation tax for the year was 19.0% (2022: 19.0%). In March 2021, the UK Government announced an increase in the UK corporation tax rate. Finance Bill 2021 was substantively enacted on 24 May 2021 increasing the UK corporation tax rate to 25.0% from 1 April 2023. As a result, the relevant deferred taxation balances have been measured using the rates expected to apply when the deferred tax balances reverse.

14. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2023 £	2022 £
Equity dividends on ordinary shares	<u>182,000</u>	<u>186,160</u>

15. Intangible assets

	Goodwill £
Cost	
At 1 April 2022 and 31 March 2023	<u>2,412,431</u>
Amortisation	
At 1 April 2022	1,699,894
Charge for the year	<u>241,243</u>
At 31 March 2023	<u>1,941,137</u>
Carrying amount	
At 31 March 2023	<u>471,294</u>
At 31 March 2022	<u>712,537</u>

16. Tangible assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost					
At 1 April 2022	4,026,006	491,866	125,028	36,382	4,679,282
Additions	—	27,235	—	6,445	33,680
At 31 March 2023	<u>4,026,006</u>	<u>519,101</u>	<u>125,028</u>	<u>42,827</u>	<u>4,712,962</u>
Depreciation					
At 1 April 2022	399,056	273,443	14,940	18,387	705,826
Charge for the year	76,108	63,364	29,419	7,496	176,387
At 31 March 2023	<u>475,164</u>	<u>336,807</u>	<u>44,359</u>	<u>25,883</u>	<u>882,213</u>
Carrying amount					
At 31 March 2023	<u>3,550,842</u>	<u>182,294</u>	<u>80,669</u>	<u>16,944</u>	<u>3,830,749</u>
At 31 March 2022	<u>3,626,950</u>	<u>218,423</u>	<u>110,088</u>	<u>17,995</u>	<u>3,973,456</u>

Eastern Healthcare Limited

Notes to the financial statements (continued)

Year ended 31 March 2023

16. Tangible assets (continued)

Included within fixed assets above are assets held under finance leases or hire agreements included motor vehicles with a net book value of £73,512 (2022: £99,635) and included within fixtures and fittings with a net book value of £1,105 (2022: £2,579).

17. Investments

	Shares in group undertakings £
Cost	
At 1 April 2022	43,426
Additions	74,924
At 31 March 2023	118,350
Impairment	
At 1 April 2022 and 31 March 2023	—
Carrying amount	
At 31 March 2023	118,350
At 31 March 2022	43,426

St.Edmunds Limited is a wholly owned subsidiary company, incorporated in England and Wales. The company has not traded in the financial year and remains dormant.

The company acquired an additional 10% of issued share capital of Rosmead Healthcare Limited on 14 January 2022. As at 31 March 2023, Eastern Healthcare Limited owned a total of 60% of the issued share capital. Rosmead Healthcare Limited is a company incorporated in England and Wales and prepares accounts with a coterminous period end to Eastern Healthcare Limited.

Investments in group undertakings

	Class of share	Percentage of shares held
Subsidiary undertakings		
St.Edmunds,Limited, 4-5 Marine Parade, Gorleston, Gt Yarmouth, Norfolk, NR31 6DP	Ordinary	100
Rosmead Healthcare Limited, 33 Dumfries Drive, Derby, DE22 3XT	Ordinary	60

18. Stocks

	2023 £	2022 £
Finished goods and goods for resale	2,600	3,577

Eastern Healthcare Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

19. Debtors

	2023	2022
	£	£
Trade debtors	115,097	193,970
Amounts owed by group undertakings	2,104,324	2,050,444
Prepayments and accrued income	53,575	30,203
Other debtors	100,781	71,878
	<u>2,373,777</u>	<u>2,346,495</u>

20. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts	100,770	241,153
Trade creditors	39,151	17,793
Amounts owed to group undertakings	5,000	27,670
Accruals and deferred income	149,687	297,788
Corporation tax	162,840	247,591
Social security and other taxes	27,267	34,170
Obligations under finance leases and hire purchase contracts	11,456	11,277
Director loan accounts	125,000	125,000
Other creditors	219,282	207,744
	<u>840,453</u>	<u>1,210,186</u>

The bank loans are secured by a charge on the properties concerned.

Hire purchase creditors are secured on the asset concerned.

21. Creditors: Amounts falling due after more than one year

	2023	2022
	£	£
Bank loans and overdrafts	3,445,459	3,532,681
Obligations under finance leases and hire purchase contracts	72,802	84,258
	<u>3,518,261</u>	<u>3,616,939</u>

Included within creditors: amounts falling due after more than one year is an amount of £3,034,532 (2022: £2,475,253) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The bank loans are secured by a charge on the properties concerned, they are repayable over a term of 25 years and the rate of interest is 2.51% above the Bank of England Base Rate.

Hire purchase creditors are secured on the asset concerned.

Eastern Healthcare Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

22. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2023	2022
	£	£
Not later than 1 year	11,456	11,277
Later than 1 year and not later than 5 years	72,802	84,258
	<u>84,258</u>	<u>95,535</u>

23. Provisions

	Deferred tax (note 24)
	£
At 1 April 2022	175,342
Charge against provision	<u>(14,829)</u>
At 31 March 2023	<u>160,513</u>

24. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2023	2022
	£	£
Included in provisions (note 23)	<u>160,513</u>	<u>175,342</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2023	2022
	£	£
Accelerated capital allowances	<u>160,513</u>	<u>175,342</u>

25. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £116,449 (2022: £97,876).

26. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2023	2022
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	<u>—</u>	<u>289,444</u>

Eastern Healthcare Limited

Notes to the financial statements *(continued)*

Year ended 31 March 2023

27. Called up share capital

Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

28. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

29. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Not later than 1 year	5,465	—
Later than 1 year and not later than 5 years	<u>1,366</u>	<u>—</u>
	<u>6,831</u>	<u>—</u>

30. Directors' advances, credits and guarantees

During the year the company operated loan accounts with the directors. At the 31 March 2023, none of the directors owed the company (2022: two of the directors owed £2,462).

31. Controlling party

The company's immediate and ultimate parent undertaking is Eastern Healthcare (Holdings) Limited which owns 100% of the issued share capital of the company. The registered office is 15 Romany Road, Lowestoft, Suffolk, United Kingdom, NR32 3PJ.