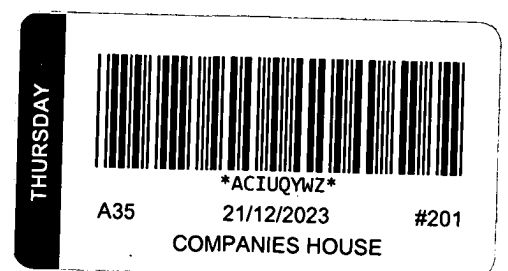


Registered number: 09359696

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 2 APRIL 2023



SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

COMPANY INFORMATION

Directors

G S Lee
P R Phillips
T R Jackson

Registered number

09359696

Registered office

2 Fusion Court, Aberford Road
Garforth
Leeds
West Yorkshire
LS25 2GH

Independent auditors

Sagars Accountants Ltd
Chartered accountants & statutory auditor
Gresham House
5-7 St Pauls Street
Leeds
LS1 2JG

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

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SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 2 APRIL 2023

Introduction

The directors present their strategic report for the company for the period ended 2 April 2023.

Review of the business in the period

The principal activity of the company during the period was that of the provision of nursing care for the elderly and working age adults.

The Seacroft Green Care Centre opened in February 2017, with a registered occupancy level of 76 care beds. The state of the art Leeds home offers nursing and respite care in addition to provision for adults with high care and complex medical needs.

In June 2021 the home was awarded an overall "Requires Improvement" by the Care Quality Commission.

Position of the company's business at the end of the period

The Balance Sheet demonstrates the significant asset in the business, being the property and fittings. The net liabilities of the company increased to £1,661,622 (2022 - £1,613,666) as a result of the net loss in the year.

In the next financial year, focus will be on the continued delivery of high-quality care to our residents. The Operations team will continue to work closely with regulatory bodies, such as Care Quality Commission (CQC), and local councils, to meet appropriate standards, with the current trading performance and occupancy levels expected to continue.

Principal risks and uncertainties

The Covid-19 pandemic has continued to impact our residents, staff and the home throughout the year resulting in higher staff sickness and delayed or cancelled planned admissions. Thanks to the Covid vaccine the virus does not pose the same level of risk to our residents health as it initially had.

The Group's board and Infection Prevention Team will continue to work to protect our residents, visitors, and staff in order to mitigate the risks associated with Covid-19. For the last 9 months the Group has had little to no impact from Covid-19, which has allowed the Group to build real momentum in relation to staffing consistency, and increasing occupancy to mature levels.

The care sector faces pressure to recruit and retain quality care staff. The Group has invested in staff wellbeing and other retention activities, which has helped to reduce agency usage at the same time the employment market has improved marginally.

Inflation, wage inflation and the impact of the National Living Wage in April 2024 and future increases will have a significant impact on payroll costs for the business and throughout the sector.

The Group remains committed to achieving the highest standard of quality and has completed the task of fully digitising our residents care and care plans across all our homes.

The Group remains committed to achieving the highest standard of quality within all its care homes.

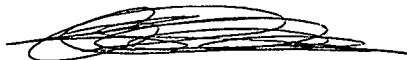
Financial key performance indicators

The business has made an operating profit before depreciation of £783,146 (2022 - £724,613).

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 2 APRIL 2023**

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

A handwritten signature in black ink, appearing to be 'G S Lee', written over a horizontal line.

G S Lee
Director

Date: 20 December 2023

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 2 APRIL 2023

The directors present their report and the financial statements for the period ended 2 April 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the 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 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 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 for the Company's financial statements 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 to 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.

Results and dividends

The loss for the period, after taxation, amounted to £47,956 (2022 - loss £22,035).

The directors do not recommend the payment of a dividend. (2022: £Nil)

Directors

The directors who served during the period and up to the date of this report were:

G S Lee
P R Phillips
T R Jackson

Future developments

In the next financial year, focus will be on the continued delivery of high-quality care to our residents. The Operations team will continue to work closely with regulatory bodies, such as Care Quality Commission (CQC), and local councils, to meet appropriate standards, with the current trading performance and occupancy levels expected to continue.

Matters covered in the strategic report

The Company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 2 APRIL 2023**

Disclosure of information to auditors

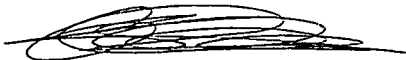
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director 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.

Auditors

Under section 487(2) of the Companies Act 2006, Sagars Accountants Ltd will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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



G S Lee
Director

Date: 20 December 2023

2 Fusion Court, Aberford Road,
Garforth
Leeds
West Yorkshire
LS25 2GH

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

Opinion

We have audited the financial statements of Springfield Healthcare (Seacroft Green) Limited (the 'Company') for the period ended 2 April 2023, which comprise the Statement of income and retained earnings, the 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 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 2 April 2023 and of its loss for the period 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 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 Auditors' 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.

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED (CONTINUED)

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 Directors' report for the financial period 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 set out on page 3, 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.

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED (CONTINUED)

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:

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of contract income and the override of controls by management. We discussed these risks with client management, designed audit procedures to test the timing and recognition of contract income, carried out detailed substantive testing on income, tested a sample of journals, selected on a risk basis, to confirm they were appropriate and reviewed areas of judgement and estimation for indicators of management bias to address these risks.

The organisation is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified Care Quality Commission Regulations, employment law and health and safety as those areas most likely to have such an effect. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement 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 of the effectiveness of the Company's 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 Auditors' 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 Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED (CONTINUED)

- 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.

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 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.

Ross Preston

Ross Preston CA (Senior statutory auditor)
for and on behalf of

Sagars Accountants Ltd

Chartered accountants & statutory auditor

Gresham House

5-7 St Pauls Street

Leeds

LS1 2JG

20 December 2023

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE PERIOD ENDED 2 APRIL 2023

	Note	Period from 4 April 2022 to 2 April 2023 £	Period from 29 March 2021 to 3 April 2022 £
Turnover	4	4,744,829	4,407,155
Cost of sales		(3,196,203)	(3,181,760)
Gross profit		1,548,626	1,225,395
Administrative expenses		(946,728)	(861,000)
Other operating income	5	-	137,230
Operating profit	6	601,898	501,625
Interest payable and expenses	8	(649,854)	(523,660)
Loss before tax		(47,956)	(22,035)
Tax on loss	9	-	-
Loss after tax		(47,956)	(22,035)
Retained earnings at the beginning of the period		(1,613,766)	(1,591,731)
		(1,613,766)	(1,591,731)
Loss for the period		(47,956)	(22,035)
Retained earnings at the end of the period		(1,661,722)	(1,613,766)

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of income and retained earnings.

All the activities of the company are from continuing operations.

The notes on pages 11 to 22 form part of these financial statements.

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED
REGISTERED NUMBER: 09359696

STATEMENT OF FINANCIAL POSITION
AS AT 2 APRIL 2023

	Note	2 April 2023 £	3 April 2022 £
Fixed assets			
Tangible assets	10	4,883,981	4,905,405
		<u>4,883,981</u>	<u>4,905,405</u>
Current assets			
Stocks	11	6,100	8,100
Debtors: amounts falling due within one year	12	310,798	95,944
Cash at bank and in hand		75,810	22,826
		<u>392,708</u>	<u>126,870</u>
Creditors: amounts falling due within one year	13	(549,910)	(372,178)
Net current liabilities		<u>(157,202)</u>	<u>(245,308)</u>
Total assets less current liabilities		<u>4,726,779</u>	<u>4,660,097</u>
Creditors: amounts falling due after more than one year	14	(6,388,401)	(6,273,763)
Net liabilities		<u>(1,661,622)</u>	<u>(1,613,666)</u>
Capital and reserves			
Called up share capital	15	100	100
Profit and loss account	16	(1,661,722)	(1,613,766)
		<u>(1,661,622)</u>	<u>(1,613,666)</u>

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

Tim Jackson

T R Jackson
Director

Date: 20 December 2023

The notes on pages 11 to 22 form part of these financial statements.

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 APRIL 2023

1. General information

The principal activity of the company during the year was provision of quality residential, dementia and nursing care for the elderly.

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is:

2 Fusion Court
Aberford Road
Garforth
Leeds
LS25 2GH

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 judgement in applying the Company's accounting policies (see note 3).

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

The company operates a weekly accounting calendar and this year the financial statements are for the 52 weeks to 2 April 2023 (last year 53 weeks to 3 April 2022).

The following principal accounting policies have been applied:

2.2 Going concern

Forecasts have been prepared by the directors for the period to 31 March 2028 on a group basis.

The loan notes provided by BGF fall due after one year as does the majority of the interest due on those loans. In addition to the funding provided by BGF, the Group is supported by bank funding provided by Coutts & Co and OakNorth Bank Plc.

The directors recognise that the continued success of the group is contingent on ensuring the highest quality of care in a luxury environment.

The cash flow forecast together with the expected funding and income of its subsidiaries indicate that the group will have sufficient resources to meet its liabilities as they fall due and for a period of at least 12 months from the approval of the accounts. Based on these forecasts the directors consider that the going concern basis of accounting is appropriate to the company.

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 APRIL 2023

2. Accounting policies (continued)

2.3 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 SHG (Care Villages) Limited which can be obtained from 2 Fusion Court, Aberford Road, Garforth, Leeds, LS25 2GH. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

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

2.4 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.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 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 the Statement of income and retained earnings 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 income and retained earnings in the same period as the related expenditure.

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 APRIL 2023

2. Accounting policies (continued)

2.7 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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.

2.8 Pensions

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.

2.9 Taxation

Tax is recognised in the Statement of income and retained earnings, 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 Statement of financial position 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.

2.10 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 APRIL 2023

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

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:

Freehold property	-	2% straight line
Fixtures and fittings	-	20% 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 the Statement of income and retained earnings.

2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 APRIL 2023

3. Judgements 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 at 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. Details of these judgements are set out in the accounting policies.

Key sources of estimation uncertainty

The estimates and assumptions which have a heightened risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Useful lives of tangible fixed assets

The directors estimate the useful lives of tangible fixed assets based on the period over which the assets are expected to be available for use. When assessing the estimated useful lives of tangible fixed assets the directors have considered factors such as previous useful lives of similar assets, the age of the asset on purchase and the current condition of the asset.

Impairment of freehold property

At each reporting date the directors assess whether there is any indication of impairment. When assessing whether there is any indication of impairment, the directors consider the current fair value less costs to sell and the value in use.

4. Turnover

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

	Period from 4 April 2022 to 2 April 2023 £	Period from 29 March 2021 to 3 April 2022 £
Rendering of services	4,744,829	4,407,155
	<u>4,744,829</u>	<u>4,407,155</u>

All turnover arose within the United Kingdom.

The whole of turnover is attributable to the principal activity of the company.

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 APRIL 2023

5. Other operating income

	Period from 4 April 2022 to 2 April 2023 £	Period from 29 March 2021 to 3 April 2022 £
Government grants receivable	-	137,230
	<u>-</u>	<u>137,230</u>

Government grant income in the prior period related to Infection control grants following Covid-19, workforce recruitment and retention grants to address capacity pressures and national minimum wage grants to help with the uplift in the living wage. No such income received in the current period.

6. Operating profit

The operating profit is stated after charging:

	Period from 4 April 2022 to 2 April 2023 £	Period from 29 March 2021 to 3 April 2022 £
Depreciation of tangible assets	181,249	222,988
Auditors' remuneration	8,580	5,508
	<u>181,249</u>	<u>222,988</u>

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 APRIL 2023

7. Employees

Staff costs including directors remuneration were as follows:

	Period from 4 April 2022 to 2 April 2023 £	Period from 29 March 2021 to 3 April 2022 £
Wages and salaries	2,072,614	2,087,313
Social security costs	158,372	136,310
	<u>2,230,986</u>	<u>2,223,623</u>

The average monthly number of employees, including the directors, during the period was as follows:

	Period from 4 April 2022 to 2 April 2023 No.	Period from 29 March 2021 to 3 April 2022 No.
Administrative Staff	2	2
Care team	116	130
	<u>118</u>	<u>132</u>

8. Interest payable and similar expenses

	Period from 4 April 2022 to 2 April 2023 £	Period from 29 March 2021 to 3 April 2022 £
Interest due on group undertakings	649,854	523,660
	<u>649,854</u>	<u>523,660</u>

Interest is charged on all group inter-company loans at market rate.

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 APRIL 2023

9. Taxation

	Period from 4 April 2022 to 2 April 2023 £	Period from 29 March 2021 to 3 April 2022 £
Total current tax	-	-
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2022 - higher than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	Period from 4 April 2022 to 2 April 2023 £	Period from 29 March 2021 to 3 April 2022 £
Loss on ordinary activities before tax	(47,956)	(22,035)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(9,112)	(4,187)
Effects of:		
Effect of capital allowances and depreciation	7,397	16,639
Deferred tax not recognised	1,715	(12,452)
Total tax charge for the period	-	-

Factors that may affect future tax charges

An increase in the UK corporate tax from 19% to 25% was announced in the 2021 budget and took effect in April 2023. The rates for small profits under £50,000 will remain at 19%, and there will be a taper relief for businesses with profits between £50,000 and £250,000.

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 APRIL 2023**

10. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 4 April 2022	5,238,423	722,905	5,961,328
Additions	-	159,824	159,824
At 2 April 2023	5,238,423	882,729	6,121,152
Depreciation			
At 4 April 2022	513,061	542,862	1,055,923
Charge for the period on owned assets	104,768	76,480	181,248
At 2 April 2023	617,829	619,342	1,237,171
Net book value			
At 2 April 2023	4,620,594	263,387	4,883,981
At 3 April 2022	4,725,362	180,043	4,905,405

11. Stocks

	2 April 2023 £	3 April 2022 £
Raw materials and consumables	6,100	8,100
	6,100	8,100

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 APRIL 2023

12. Debtors

	2 April 2023 £	3 April 2022 £
Trade debtors	290,488	64,372
Other debtors	1	1
Called up share capital not paid	100	100
Prepayments and accrued income	20,209	31,471
	<u>310,798</u>	<u>95,944</u>

13. Creditors: Amounts falling due within one year

	2 April 2023 £	3 April 2022 £
Trade creditors	259,228	189,849
Other taxation and social security	37,274	39,414
Other creditors	200	400
Accruals and deferred income	253,208	142,515
	<u>549,910</u>	<u>372,178</u>

Coutts & Company hold a fixed and floating charge, dated 17 October 2019, over the freehold property and undertakings of the company.

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

	2 April 2023 £	3 April 2022 £
Amounts owed to group undertakings	6,388,401	6,273,763
	<u>6,388,401</u>	<u>6,273,763</u>

15. Share capital

	2 April 2023 £	3 April 2022 £
Allotted, called up and fully paid		
86 (2022 - 86) Ordinary A shares of £1 each shares of £1.00 each	86	86
14 (2022 - 14) Ordinary B Share of £1 each shares of £1.00 each	14	14
	<u>100</u>	<u>100</u>

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 APRIL 2023

15. Share capital (continued)

Full details of the rights attached to the shares can be found in the Companies Articles.

The amounts of paid up share capital differed from the called up share capital due to unpaid calls of £100 on the 86 A Ordinary shares and 14 B Ordinary shares.

16. Reserves

Profit and loss account

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

17. Contingent liabilities

The company has provided a Guarantee dated 17 October 2019 to Coutts in respect of SHG (Care Villages) Limited, Springfield Healthcare (The Chocolate Works) Limited, Springfield Healthcare (Ilkley) Limited, Springfield Healthcare (The Grange) Limited, Springfield Healthcare (Harrogate) Limited, Springfield Healthcare (CW Care Village) Limited, Springfield Healthcare (Harcourt) Limited, Springfield Healthcare (Seacroft Grange) Ltd, Springfield Healthcare (Green Care Centre) Ltd and Springfield Healthcare (Mayfield View) Ltd. At 2 April 2023 the balance owing to the bank under this guarantee was limited to £28,132,500.

18. Commitments under operating leases

At 2 April 2023 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2 April 2023 £	3 April 2022 £
Not later than 1 year	-	5,427
	<u>-</u>	<u>5,427</u>

19. Related party transactions

The Company has taken the exemption from disclosing amounts with other group companies.

During the period to 2 April 2023, Spring2Recruitment Limited, a company in which one of the directors has an interest, provided services to a value of £593,443 (2022 - £292,774). At 2 April 2023 there was a balance of £33,417 (2022 - £32,824) due to Spring2Recruitment Limited which is shown within trade creditors.

20. Post balance sheet events

On the 3rd July 2023, the trade of operating the care home was transferred to a group company.

SPRINGFIELD HEALTHCARE (SEACROFT GREEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 APRIL 2023

21. Controlling party

The immediate and ultimate parent company and controlling party is SHG (Care Villages) Limited, registered in England and Wales. The registered office is 2 Fusion Court, Aberford Road, Garforth, Leeds, LS25 2GH.