

# ROSEBERRY CARE CENTRES (ENGLAND) LTD

Annual Report and Financial Statements  
for the Year Ended 31 December 2021

# Roseberry Care Centres (England) Ltd

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# Roseberry Care Centres (England) Ltd

## Company Information

<b>Directors</b>	Mrs M J Auckland Mr M Dumble Mrs J D Thomas
<b>Company secretary</b>	Ms M Summerson
<b>Registered office</b>	1st Floor Valley View Care Centres Back Lane Penshaw Houghton-Le-Spring DH4 7ER
<b>Solicitors</b>	Endeavour Partnership Tobias House St Mark's Court Teesdale Business Park Teesside TS17 6QW
<b>Bankers</b>	Santander Corporate Banking Tees Valley Corporate Centre 11 Halegrove Court Cygnet Drive Stockton on Tees TS18 3DB
<b>Auditor</b>	Azets Audit Services Chartered Accountants & Statutory Auditor 1 Massey Road Thomaby Stockton-on-Tees TS17 6DY

# **Roseberry Care Centres (England) Ltd**

## **Strategic Report for the Year Ended 31 December 2021**

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

### **Principal activity and review of the business**

Roseberry Care Centres (England) Limited is a care home operator providing residential and nursing care, primarily across the north of England. At the date of the accounts the company were caring for approximately 475 residents in 12 care settings.

### **Results**

The Company's profit on ordinary activities before tax for the year ended 31st December 2021 amounted to £1,094,753 (2020 £357,531).

### **Key performance indicators**

The key financial performance indicators monitored by management include:

Occupancy percentage, which at 31st December 2021 was 89% (2020: 74%)

Average weekly fee, which at 31st December 2021 was £776\* (2020: £758)

Staffing costs as a percentage of fee income, which for the year ended 31st December 2021 were 64.3%\* (2020: 66.8%)

Home running costs as a percentage of fee income, which for the year ended 31st December 2021 were 17%\* (2020: 20%)

Rent cover ratios, which were 1.77\* times for the year ended 31st December 2021 (2020: 1.75)

EBITDAR as a percentage of fee income, which for the year ended 31st December 2021 was 22.4%\* (2020: 16.7%)

\*Note the above ratios exclude grant income and Covid-19 support payments

In addition to the above, the company also closely monitors and acts upon inspections by the regulator (the CQC) and its dedicated quality inspection manager which helps improve and maintain strong ratings.

## **Roseberry Care Centres (England) Ltd**

### **Strategic Report for the Year Ended 31 December 2021 (continued)**

#### **Going concern**

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

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

At 31 December 2021 the company reported net current assets of £977,379 and net assets of £1,165,590.

Throughout 2021 the Covid-19 pandemic continued to have an impact on the company's operations. Thankfully, as a result of mass vaccinations, death rates amongst our residents were significantly down on those seen in 2020. However there were increased costs brought about by a reduction in admissions and costs associated with covering staff absences and restricting the movement of staff. Government and some local councils continued to recognise these pressures and provided appropriate levels of financial support by way of awarding temporary increases in fees, paying for void beds, providing PPE and making available infection control and workforce grants.

At the date of these financial statements we have seen a significant reduction in Covid-19 infections amongst residents and staff, and life in our homes seems to be returning to a more usual feel. The company has traded strongly throughout the pandemic and has been robust during the biggest challenge ever faced by the care sector. As at the balance sheet date, it has a strong balance sheet and cash reserves.

Based on the above indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. Forecasts for the next 12 months have been prepared which assume a certain level of occupancy and taking into account reasonable possible changes in trading performance, the company is expected to have sufficient level of financial resource available through the next 12 months. Therefore after making enquiries, the directors have a reasonable expectation that the company has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis.

# Roseberry Care Centres (England) Ltd

## Strategic Report for the Year Ended 31 December 2021 (continued)

### Principal risks and uncertainties

#### Principal risks and risk management

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

#### Credit risk

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

#### Liquidity risk

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

#### Operational risks

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

#### Reputational risk

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

#### Regulatory risk

In order to mitigate this risk the group employs a dedicated quality inspection manager who carries out mock inspections and provides action plans where appropriate. The company also employs regional support managers who's role is to support the regional operations managers and the homes within that region, in order to maintain and improve regulatory compliance and to develop improved commercial business strategies as directed by senior management.

#### Other risk

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

### Future developments

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

Approved and authorised by the Board on 30 June 2022 and signed on its behalf by:

.....

Mr M Dumble

Director

# **Roseberry Care Centres (England) Ltd**

## **Directors' Report for the Year Ended 31 December 2021**

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

### **Directors of the company**

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

Mrs M J Auckland

Mr J Murphy (resigned 22 September 2021)

Mr M Dumble

The following director was appointed after the year end:

Mrs J D Thomas (appointed 10 May 2022)

### **Financial instruments**

#### ***Objectives and policies***

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

### **Employment of disabled persons**

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

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

### **Employee involvement**

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

### **Future developments**

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

### **Going concern**

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

### **Disclosure of information to the auditor**

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

## **Roseberry Care Centres (England) Ltd**

### **Directors' Report for the Year Ended 31 December 2021 (continued)**

#### **Reappointment of auditor**

Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the company following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022.

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

Approved and authorised by the Board on 30 June 2022 and signed on its behalf by:

.....  
Mr M Dumble  
Director

# **Roseberry Care Centres (England) Ltd**

## **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

# **Roseberry Care Centres (England) Ltd**

## **Independent Auditor's Report to the Members of Roseberry Care Centres (England) Ltd**

### **Opinion**

We have audited the financial statements of Roseberry Care Centres (England) Ltd (the 'company') for the year ended 31 December 2021, which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity, and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Roseberry Care Centres (England) Ltd**

### **Independent Auditor's Report to the Members of Roseberry Care Centres (England) Ltd (continued)**

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 7], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor Responsibilities for the audit of the financial statements**

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

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

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

## **Roseberry Care Centres (England) Ltd**

### **Independent Auditor's Report to the Members of Roseberry Care Centres (England) Ltd (continued)**

- challenging assumptions and judgements made by management in their significant accounting estimates;  
auditing the risk of management override of controls, including through testing journal entries and other
- adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- reviewing financial statement disclosures and testing to support documentation.

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

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

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

#### **Use of our report**

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

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

For and on behalf of

Azets Audit Services

Statutory Auditor

Chartered Accountants

1 Massey Road

Thornaby

Stockton-on-Tees

TS17 6DY

30 June 2022

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

# Roseberry Care Centres (England) Ltd

## Income Statement for the Year Ended 31 December 2021

		31 December 2021 £	27 September 2019 to 31 December 2020 £
	Note		
Turnover	<u>3</u>	17,910,455	10,331,165
Cost of sales		<u>(13,711,368)</u>	<u>(8,726,736)</u>
Gross profit		4,199,087	1,604,429
Administrative expenses		(4,326,435)	(2,302,336)
Other operating income	<u>4</u>	<u>1,222,101</u>	<u>1,055,438</u>
Operating profit	<u>5</u>	<u>1,094,753</u>	<u>357,531</u>
Profit before tax		1,094,753	357,531
Taxation	<u>8</u>	<u>(212,637)</u>	<u>(74,060)</u>
Profit for the financial year		<u><u>882,116</u></u>	<u><u>283,471</u></u>

The above results were derived from continuing operations.

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

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

# Roseberry Care Centres (England) Ltd

(Registration number: 12231776)

## Statement of Financial Position as at 31 December 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	<u>9</u>	246,472	70,708
<b>Current assets</b>			
Stocks	<u>10</u>	21,225	17,262
Debtors	<u>11</u>	1,252,357	1,174,110
Cash at bank and in hand		3,223,693	1,721,574
		<u>4,497,275</u>	<u>2,912,946</u>
<b>Creditors:</b> Amounts falling due within one year	<u>12</u>	<u>(3,519,896)</u>	<u>(2,686,905)</u>
<b>Net current assets</b>		<u>977,379</u>	<u>226,041</u>
<b>Total assets less current liabilities</b>		1,223,851	296,749
<b>Provisions for liabilities</b>	<u>13</u>	<u>(58,261)</u>	<u>(13,275)</u>
<b>Net assets</b>		<u>1,165,590</u>	<u>283,474</u>
<b>Capital and reserves</b>			
Called up share capital	<u>15</u>	3	3
Profit and loss account		<u>1,165,587</u>	<u>283,471</u>
<b>Total equity</b>		<u>1,165,590</u>	<u>283,474</u>

Approved and authorised by the Board on 30 June 2022 and signed on its behalf by:

.....  
Mr M Dumble  
Director

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

## Roseberry Care Centres (England) Ltd

### Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £	Profit and loss account £	Total £
Profit for the period	-	283,471	283,471
Total comprehensive income	-	283,471	283,471
New share capital subscribed	3	-	3
At 31 December 2020	3	283,471	283,474
	Share capital £	Profit and loss account £	Total £
At 1 January 2021	3	283,471	283,474
Profit for the year	-	882,116	882,116
Total comprehensive income	-	882,116	882,116
At 31 December 2021	3	1,165,587	1,165,590

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

# **Roseberry Care Centres (England) Ltd**

## **Notes to the Financial Statements for the Year Ended 31 December 2021**

### **1 General information**

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

The address of its registered office is 1st Floor Valley View Care Centres, Back Lane, Penshaw, Houghton-Le-Spring, DH4 7ER.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

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

#### **Statement of compliance**

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

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

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

#### **Summary of disclosure exemptions**

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

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

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

## **Roseberry Care Centres (England) Ltd**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Going concern**

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

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

At 31 December 2021 the company reported net current assets of £977,379 and net assets of £1,165,590.

Throughout 2021 the Covid-19 pandemic continued to have an impact on the company's operations. Thankfully, as a result of mass vaccinations, death rates amongst our residents were significantly down on those seen in 2020. However there were increased costs brought about by a reduction in admissions and costs associated with covering staff absences and restricting the movement of staff. Government and some local councils continued to recognise these pressures and provided appropriate levels of financial support by way of awarding temporary increases in fees, paying for void beds, providing PPE and making available infection control and workforce grants.

At the date of these financial statements we have seen a significant reduction in Covid-19 infections amongst residents and staff, and life in our homes seems to be returning to a more usual feel. The company has traded strongly throughout the pandemic and has been robust during the biggest challenge ever faced by the care sector. As at the balance sheet date, it has a strong balance sheet and cash reserves.

Based on the above indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. Forecasts for the next 12 months have been prepared which assume a certain level of occupancy and taking into account reasonable possible changes in trading performance, the company is expected to have sufficient level of financial resource available through the next 12 months. Therefore after making enquiries, the directors have a reasonable expectation that the company has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis.

# **Roseberry Care Centres (England) Ltd**

## **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

### **2 Accounting policies (continued)**

#### **Judgements**

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

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

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

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

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

#### **Key sources of estimation uncertainty**

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

**Useful economic lives of tangible assets** - The annual depreciation charge is sensitive to changes in the estimated useful lives of the assets. The useful economic lives are re-assessed annually. They are amended when necessary to reflect current estimates, future investments and economic utilisation. The carrying amount is £45,831 (2020 - £5,711).

**Impairment of debtors** - The company makes an estimate of the recoverable value of the trade and other debtors. When assessing impairment of trade and other debtor, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. The carrying amount is £Nil (2020 - £Nil).

#### **Revenue recognition**

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

# **Roseberry Care Centres (England) Ltd**

## **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

### **2 Accounting policies (continued)**

#### **Government grants**

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

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

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

#### **Tax**

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

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

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

#### **Tangible assets**

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

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

# Roseberry Care Centres (England) Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

### 2 Accounting policies (continued)

#### Depreciation

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

Asset class	Depreciation method and rate
Fixtures and fittings	4 years straight line
Plant and machinery	4 years straight line
Leasehold property	4 years straight line
Office equipment	4 years straight line

#### Trade debtors

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

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

#### Stocks

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

#### Trade creditors

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

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

#### Share capital

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

#### Defined contribution pension obligation

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

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

## Roseberry Care Centres (England) Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 3 Turnover

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

	<b>31 December 2021</b>	<b>27 September 2019 to 31 December 2020</b>
	<b>£</b>	<b>£</b>
Rendering of services	<u>17,910,455</u>	<u>10,331,165</u>

#### 4 Other operating income

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

	<b>Year ended 31 December 2021</b>	<b>27 September 2019 to 31 December 2020</b>
	<b>£</b>	<b>£</b>
Government grants	1,222,101	1,010,421
Miscellaneous other operating income	-	42,017
Rental income	-	3,000
	<u>1,222,101</u>	<u>1,055,438</u>

Government grants consist of the Adult Social Care Infection Control Fund grants and other Coronavirus related support measures.

# Roseberry Care Centres (England) Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

### 5 Operating profit

Arrived at after charging/(crediting)

	31 December 2021	27 September 2019 to 31 December 2020
	£	£
Depreciation expense	55,195	12,123

### 6 Staff costs

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

	Year ended 31 December 2021	27 September 2019 to 31 December 2020
	£	£
Wages and salaries	11,932,572	7,415,077
Social security costs	704,037	489,503
Pension costs, defined contribution scheme	164,467	112,419
	12,801,076	8,016,999

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

	31 December 2021	27 September 2019 to 31 December 2020
	No.	No.
Administration and support	29	21
Other departments	612	640
	641	661

# Roseberry Care Centres (England) Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

### 7 Auditor's remuneration

	31 December 2021 £	27 September 2019 to 31 December 2020 £
Audit of the financial statements	8,500	8,000
<b>Other fees to auditors</b>		
Taxation compliance services	800	1,500

### 8 Taxation

Tax charged/(credited) in the income statement

	31 December 2021 £	27 September 2019 to 31 December 2020 £
<b>Current taxation</b>		
UK corporation tax	167,651	60,785
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	44,986	13,275
Tax expense in the income statement	212,637	74,060

# Roseberry Care Centres (England) Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

### 8 Taxation (continued)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	<b>31 December 2021 £</b>	<b>27 September 2019 to 31 December 2020 £</b>
Profit before tax	1,094,753	357,531
Corporation tax at standard rate	208,003	67,931
Effect of revenues exempt from taxation	(7,942)	-
Effect of expense not deductible in determining taxable profit (tax loss)	-	6,129
Deferred tax expense relating to changes in tax rates or laws	13,983	-
Tax decrease arising from group relief	(3,186)	-
Other tax effects for reconciliation between accounting profit and tax expense (income)	1,779	-
Total tax charge	212,637	74,060

### Deferred tax

Deferred tax assets and liabilities

<b>31 December 2021</b>	<b>Asset £</b>	<b>Liability £</b>
Accelerated capital allowances	-	60,862
Other short term timing differences	2,601	-
	2,601	60,862

<b>27 September 2019 to 31 December 2020</b>	<b>Liability £</b>
Accelerated capital allowances	13,275
Other short term timing differences	-
	13,275

## Roseberry Care Centres (England) Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 9 Tangible assets

	Long leasehold property £	Fixtures and fittings £	Plant and machinery £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2021	330	48,847	25,659	1,583	76,419
Additions	1,827	122,101	96,642	1,325	221,895
Disposals	-	-	(300)	-	(300)
At 31 December 2021	2,157	170,948	122,001	2,908	298,014
<b>Depreciation</b>					
At 1 January 2021	28	3,586	2,005	92	5,711
Charge for the year	404	28,844	15,934	655	45,837
Eliminated on disposal	-	-	(6)	-	(6)
At 31 December 2021	432	32,430	17,933	747	51,542
<b>Carrying amount</b>					
At 31 December 2021	1,725	138,518	104,068	2,161	246,472
At 31 December 2020	302	45,261	23,654	1,491	70,708

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

# Roseberry Care Centres (England) Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

### 10 Stocks

	31 December 2021 £	31 December 2020 £
Other inventories	21,225	17,262

### 11 Debtors

	2021 £	2020 £
Trade debtors	1,037,682	1,091,308
Other debtors	146,083	5,120
Prepayments	68,592	77,682
	1,252,357	1,174,110

### 12 Creditors

	31 December 2021 £	31 December 2020 £
<b>Due within one year</b>		
Trade creditors	700,294	425,980
Amounts owed to group undertakings	402,082	275,094
Social security and other taxes	138,120	152,629
Other creditors	688,229	467,665
Accrued expenses	1,476,020	1,304,752
Corporation tax liability	115,151	60,785
	3,519,896	2,686,905

### 13 Provisions for liabilities

	Deferred tax £	Total £
At 1 January 2021	13,275	13,275
Increase (decrease) in existing provisions	44,986	44,986
At 31 December 2021	58,261	58,261

### 14 Pension and other schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £164,467 (2020 - £112,419).

## Roseberry Care Centres (England) Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 15 Share capital

##### Allotted, called up and fully paid shares

	No.	2021 £	No.	2020 £
Ordinary shares of £1 each	3	3	3	3

#### 16 Obligations under leases and hire purchase contracts

##### Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	2,534,400	2,054,953
Later than one year and not later than five years	10,795,998	10,514,456
Later than five years	31,366,947	31,366,947
	<u>44,697,345</u>	<u>43,936,356</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £2,239,831 (2020 - £1,009,322).

#### 17 Parent and ultimate parent undertaking

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

The ultimate parent is Ceres Holdings, incorporated in Cayman Islands.

The most senior parent entity producing publicly available financial statements is Cleveland Healthcare Group Limited

. These financial statements are available upon request from Companies House

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