

Company registration number 01328355 (England and Wales)

CZAJKA PROPERTIES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

CZAJKA PROPERTIES LIMITED

COMPANY INFORMATION

Directors	Mr Konrad Czajka Mrs Janina Czajka
Secretary	Mrs Janina Czajka
Company number	01328355
Registered office	Victoria House 66 - 70 Bingley Road Saltaire Shipley West Yorkshire BD18 4DJ
Auditor	BHP LLP New Chartford House Centurion Way Cleckheaton Bradford West Yorkshire BD19 3QB

CZAJKA PROPERTIES LIMITED

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CZAJKA PROPERTIES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Fair review of the business

During the year turnover increased by 20.42% and the gross profit increased by 25.95%. The company continued to experience the effects of increasing national living wages and staff shortages within the industry so the directors were pleased to report that gross margins had increased.

Assistance from the government in relation to COVID-19 was minimal in the year. This led to a decrease in operating profit.

Key performance indicators

The company's key financial and other performance indicators during the year were as follows:

	Unit	2022	2021
Gross profit	£	2,300,459	1,826,528
Profit before tax	£	371,364	281,690
Shareholders' funds	£	11,745,938	11,656,172

Principal risks and uncertainties

There are numerous risks that affect the company's ability to meet trading objectives. The primary ones being:

The impact of state funding available to the sector. Local authorities and ICB's continue to pay nursing and care fees at a level which falls short of that which is required to deliver quality care at the same time as costs continue to rise. A national 'cost of care exercise' has taken place and the directors believe that a substantial increase in local authority and ICB funding may be imminent.

Recruitment and retention of staff is a major challenge locally and nationally. The directors have made the decision to recruit staff from abroad in order to continue developing a quality workforce.

Planning permission has been granted to extend two of the existing nursing and residential care homes and further retirement housing will also be built. The directors feel that this is 'fit for the future' planning.

On behalf of the board

Mr Konrad Czajka

Director

7 July 2023

CZAJKA PROPERTIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Information relating to fair review of the business and principal risks and uncertainties is included in the strategic report.

Principal activities

The principal activity of the company continued to be that of the provision of long term care to the elderly and young disabled.

Directors

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

Mr Konrad Czajka
Mrs Janina Czajka

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Financial instruments

Price risk, credit risk, liquidity risk and cash flow risk

The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors and loans to the business. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Loans comprise loans from financial institutions. The interest rate and monthly repayments on the loans from financial institutions are fixed. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the payments.

Disabled persons

The company's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.

Disabled employees receive appropriate training to promote their career development within the company. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

Employee involvement

Regular meetings are held between senior management and employee representatives to discuss matters of concern. Employees are kept well-informed about the progress and position of the company.

CZAJKA PROPERTIES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Auditor

In accordance with the company's articles, a resolution proposing that BHP LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr Konrad Czajka

Director

7 July 2023

CZAJKA PROPERTIES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CZAJKA PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CZAJKA PROPERTIES LIMITED

Opinion

We have audited the financial statements of Czajka Properties Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

CZAJKA PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CZAJKA PROPERTIES LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report 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 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.

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.

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations, relevant to the company, which could give rise to a material misstatement in the financial statements. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and a review of legal expenses. There are inherent limitations in the audit procedures described and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

As part of our audit, we addressed the risk of management override of internal controls, including testing of journals and review of nominal ledger. We evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

CZAJKA PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CZAJKA PROPERTIES LIMITED

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.

Ann Brown
Senior Statutory Auditor
For and on behalf of BHP LLP

7 July 2023

Chartered Accountants
Statutory Auditor

New Chartford House
Centurion Way
Cleckheaton
Bradford
West Yorkshire
BD19 3QB

CZAJKA PROPERTIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	10,198,952	8,469,491
Cost of sales		(7,898,493)	(6,642,963)
Gross profit		2,300,459	1,826,528
Administrative expenses		(1,986,363)	(1,720,044)
Other operating income		217,242	920,611
Operating profit	4	531,338	1,027,095
Interest receivable and similar income	8	78,102	70,682
Interest payable and similar expenses	9	(184,515)	(66,087)
Tangible fixed asset revaluation		(53,561)	(750,000)
Profit before taxation		371,364	281,690
Tax on profit	10	(281,598)	(503,576)
Profit/(loss) for the financial year		89,766	(221,886)

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

CZAJKA PROPERTIES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		11,211,776		11,284,744
Investments	13		90,100		90,100
			<u>11,301,876</u>		<u>11,374,844</u>
Current assets					
Stocks	14	8,000		8,000	
Debtors	15	6,759,453		6,117,601	
Cash at bank and in hand		450,622		872,041	
		<u>7,218,075</u>		<u>6,997,642</u>	
Creditors: amounts falling due within one year	16	(4,731,647)		(4,515,400)	
Net current assets			<u>2,486,428</u>		<u>2,482,242</u>
Total assets less current liabilities			<u>13,788,304</u>		<u>13,857,086</u>
Creditors: amounts falling due after more than one year	17		(1,869,103)		(2,012,057)
Provisions for liabilities					
Deferred tax liability	19	173,263		188,857	
		<u>(173,263)</u>		<u>(188,857)</u>	
Net assets			<u>11,745,938</u>		<u>11,656,172</u>
Capital and reserves					
Called up share capital	21		4,075		4,075
Revaluation reserve			1,730,705		1,730,705
Profit and loss reserves			10,011,158		9,921,392
Total equity			<u>11,745,938</u>		<u>11,656,172</u>

The financial statements were approved by the board of directors and authorised for issue on 7 July 2023 and are signed on its behalf by:

Mr Konrad Czajka
Director

Company Registration No. 01328355

CZAJKA PROPERTIES LIMITED

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

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2021	4,075	1,730,705	10,143,278	11,878,058
Year ended 31 December 2021:				
Loss and total comprehensive income for the year	-	-	(221,886)	(221,886)
Balance at 31 December 2021	4,075	1,730,705	9,921,392	11,656,172
Year ended 31 December 2022:				
Profit and total comprehensive income for the year	-	-	89,766	89,766
Balance at 31 December 2022	4,075	1,730,705	10,011,158	11,745,938

CZAJKA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Czajka Properties Limited is a private company limited by shares incorporated in England and Wales. The registered office is Victoria House, 66 - 70 Bingley Road, Saltaire, Shipley, West Yorkshire, BD18 4DJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Redhall Limited. These consolidated financial statements are available from its registered office, Victoria House, 66-70 Bingley Road, Saltaire, Shipley, West Yorkshire, BD18 4DJ.

The company has taken exemption from preparing group accounts as it is included in consolidated accounts for Redhall Limited, its ultimate parent undertaking.

1.2 Going concern

At the time of approving the Director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the Director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts chargeable in respect of the sale of services to residents.

CZAJKA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	nil
Leasehold properties	10% straight line basis
Plant and machinery	25% reducing balance
Fixtures, fittings and equipment	25% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

It is the company's policy to maintain its property to a high standard through a programme of refurbishment and maintenance. In accordance with this practice, depreciation is not provided on the freehold property as, in the opinion of the directors, the residual value (in terms of original cost) is such that any depreciation charge would be immaterial.

Although this accounting policy is in accordance with the applicable accounting standard, FRS 102 "The Financial Reporting Standard," it is a departure from the general requirement of the Companies Act 2006 for all tangible fixed assets to be depreciated.

The accounting policy adopted is necessary for the financial statements to give a true and fair view.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

CZAJKA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

CZAJKA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

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

CZAJKA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

CZAJKA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.15 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Government grants

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

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

Grants received in relation to the government Coronavirus Job Retention Scheme (Furlough) have been recognised within other operating income. The grant is accounted for on the accruals basis once the related payroll return has been submitted.

Additional government grant support received into this sector as a result of additional costs due to Covid including: personal protective equipment, support for staff on sick and reduced occupancy have also been released.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022	2021
	£	£
Turnover analysed by class of business		
Services	10,198,952	8,469,491
	<u> </u>	<u> </u>
	2022	2021
	£	£
Turnover analysed by geographical market		
UK	10,198,952	8,469,491
	<u> </u>	<u> </u>

CZAJKA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3	Turnover and other revenue	(Continued)	
		2022	2021
		£	£
	Other significant revenue		
	Interest income	78,102	70,682
	Grants received	218,133	910,324
		<u> </u>	<u> </u>
4	Operating profit	2022	2021
		£	£
	Operating profit for the year is stated after charging/(crediting):		
	Government grants	(218,133)	(910,324)
	Depreciation of owned tangible fixed assets	39,531	36,082
	Profit on disposal of tangible fixed assets	-	(153)
		<u> </u>	<u> </u>
5	Auditors' remuneration	2022	2021
		£	£
	Fees payable to the company's auditor and its associates:		
	For audit services		
	Audit of the company's financial statements	16,844	13,230
		<u> </u>	<u> </u>
	For services in respect of group companies		
	Audit of the parent's financial statements	6,224	5,960
		<u> </u>	<u> </u>
6	Employees		
	The average monthly number of persons (including directors) employed by the company during the year was:		
		2022	2021
		Number	Number
	Administration and support	13	12
	Directors	2	2
	Care home staff	279	284
		<u> </u>	<u> </u>
	Total	294	298
		<u> </u>	<u> </u>

CZAJKA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2022	2021
		£	£
	Wages and salaries	5,231,382	4,754,959
	Social security costs	389,918	310,262
	Pension costs	92,505	80,955
		<u>5,713,805</u>	<u>5,146,176</u>
7	Directors' remuneration		
		2022	2021
		£	£
	Remuneration for qualifying services	-	7,016
8	Interest receivable and similar income		
		2022	2021
		£	£
	Interest income		
	Other interest income	78,102	70,682
9	Interest payable and similar expenses		
		2022	2021
		£	£
	Interest on bank overdrafts and loans	72,151	66,087
	Other interest	112,364	-
		<u>184,515</u>	<u>66,087</u>
10	Taxation		
		2022	2021
		£	£
	Current tax		
	UK corporation tax on profits for the current period	95,130	185,746
	Adjustments in respect of prior periods	202,062	265,473
	Total current tax	<u>297,192</u>	<u>451,219</u>
	Deferred tax		
	Origination and reversal of timing differences	(15,594)	52,357
	Total tax charge	<u>281,598</u>	<u>503,576</u>

CZAJKA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	371,364	281,690
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	70,559	53,521
Tax effect of expenses that are not deductible in determining taxable profit	31,556	142,512
Adjustments in respect of prior years	202,062	265,473
Group relief	(7,378)	-
Deferred tax adjustments in respect of prior years	(5,595)	(2,965)
Remeasurement of deferred tax for changes in tax rates	(9,100)	45,326
Fixed asset differences	(506)	-
Deferred tax not recognised	-	(291)
Tax expense for the year	281,598	503,576

11 Intangible fixed assets

Goodwill
£

Cost

At 1 January 2022 and 31 December 2022

375,513

Amortisation and impairment

At 1 January 2022 and 31 December 2022

375,513

Carrying amount

At 31 December 2022

-

At 31 December 2021

-

CZAJKA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Tangible fixed assets

	Land and buildings	Plant and fixtures, machinery and fittings	Motor vehicles and equipment	Total
	£	£	£	£
Cost or valuation				
At 1 January 2022	11,394,356	1,298,586	473,196	13,168,938
Additions	-	-	8,860	20,124
Revaluation	(15,455)	-	(38,106)	(53,561)
At 31 December 2022	11,378,901	1,298,586	443,950	13,135,501
Depreciation and impairment				
At 1 January 2022	236,280	1,270,820	374,667	1,884,194
Depreciation charged in the year	7,347	6,942	24,902	39,531
At 31 December 2022	243,627	1,277,762	399,569	1,923,725
Carrying amount				
At 31 December 2022	11,135,274	20,824	44,381	11,211,776
At 31 December 2021	11,158,076	27,766	98,529	11,284,744

The carrying value of land and buildings comprises:

	2022 £	2021 £
Freehold	11,132,632	11,148,086
Long leasehold	2,642	9,990
	11,135,274	11,158,076

One of the freehold properties included in the accounts with a carrying amount of £4,300,000 was revalued at 18 September 2015 by qualified professionals working for the company Christie & Co, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was valued on a market value based upon its existing use and present condition as a fully-equipped operational entity. The valuation was carried out in accordance with the RICS Valuation standards.

The Directors consider this valuation to remain current.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

CZAJKA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Tangible fixed assets

(Continued)

	2022 £	2021 £
Cost	2,450,795	2,450,795

13 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	27	100	100
Unlisted investments		90,000	90,000
		90,100	90,100

Movements in fixed asset investments

	Shares in subsidiaries £	Other investments £	Total £
Cost or valuation			
At 1 January 2022 & 31 December 2022	100	358,100	358,200
Impairment			
At 1 January 2022 & 31 December 2022	-	268,100	268,100
Carrying amount			
At 31 December 2022	100	90,000	90,100
At 31 December 2021	100	90,000	90,100

14 Stocks

	2022 £	2021 £
Stock	8,000	8,000

CZAJKA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	337,159	313,986
Amounts owed by group undertakings	1,063,665	1,063,665
Amounts owed by undertakings in which the company has a participating interest	-	6,069
Other debtors	5,205,734	4,627,508
Prepayments and accrued income	152,895	106,373
	<u>6,759,453</u>	<u>6,117,601</u>

16 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Bank loans and overdrafts	18	340,326	261,623
Payments received on account		219,736	249,572
Trade creditors		650,045	634,705
Amounts owed to group undertakings		1,871,213	1,893,018
Corporation tax		482,984	387,627
Other taxation and social security		593,057	536,674
Government grants		143,751	143,834
Other creditors		330,188	290,300
Accruals and deferred income		100,347	118,047
		<u>4,731,647</u>	<u>4,515,400</u>

17 Creditors: amounts falling due after more than one year

	Notes	2022	2021
		£	£
Bank loans and overdrafts	18	1,869,103	2,012,057
		<u>1,869,103</u>	<u>2,012,057</u>

18 Loans and overdrafts

	2022	2021
	£	£
Bank loans	2,018,075	2,158,017
Bank overdrafts	191,354	115,663
	<u>2,209,429</u>	<u>2,273,680</u>
Payable within one year	340,326	261,623
Payable after one year	1,869,103	2,012,057
	<u>1,869,103</u>	<u>2,012,057</u>

CZAJKA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Loans and overdrafts

(Continued)

Bank loan and overdrafts are secured by a charge held over the freehold land and buildings, together with a cross guarantee and debenture with Brookfield Care Limited, Czajka Care Limited, Fairmount Limited and Czajka Group Holdings Limited, dated 6 February 2009.

Interest on Bank loans is charged at LIBOR plus 2.00%, expiring in September 2024.
Interest on Bank overdrafts is charged at standard bank terms.

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	20,166	36,144
Revaluations	155,991	155,992
Retirement benefit obligations	(2,894)	(3,279)
	<u>173,263</u>	<u>188,857</u>
		2022
Movements in the year:		£
Liability at 1 January 2022		188,857
Credit to profit or loss		(15,594)
		<u>173,263</u>

The amount of the net reversal of deferred tax expected to occur next year is £10,000, relating to the reversal of existing timing differences on tangible fixed assets.

20 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>92,505</u>	<u>80,955</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Included in other creditors, the amount outstanding at the reporting end date was £41,305 (2021 - £36,594).

CZAJKA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

21 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	4,075	4,075	4,075	4,075

Each ordinary share is entitled to one vote. All dividends shall be apportioned and paid proportionately to the amounts paid up on the ordinary shares.

22 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Rent paid 2022 £	2021 £
Other related parties (common control and common trustees)	193,150	193,150

The following amounts were outstanding at the reporting end date:

	2022 £	2021 £
Amounts due to related parties		
Other related parties (common control and common trustees)	1,056	150,468

The following amounts were outstanding at the reporting end date:

	2022 £	2021 £
Amounts due from related parties		
Key management personnel	490,073	415,313

As the company is a wholly owned subsidiary undertaking and the financial statements, which include the results of the subsidiaries, are publicly available, the company has taken advantage of the Financial Reporting Standard No. 8 exemption from disclosing transactions with group companies.

23 Financial commitments, guarantees and contingent liabilities

The company has given an unlimited multilateral guarantee in respect of the bank borrowings of other group companies. The amount guaranteed is £Nil (2021 - £Nil).

Bank loan and overdrafts are secured by a cross guarantee and debenture between Czajka Care Limited and Fairmount Limited, dated 20 March 2003, and a cross guarantee between Brookfield Care Limited, Fairmount Limited, Czajka Group Holdings Limited, Czajka Properties Limited and Czajka Care Limited, dated 6 February 2009.

CZAJKA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

24 Events after the reporting date

After the year end, Fairmount Nursing Home, a premises owned and managed by the Company, was closed.

The site is to be redeveloped to provide additional supported living facilities in the form of independent properties, similar to the ones already managed by the Company.

The nursing home was included in these accounts at a value of £2,497,785 which will be impaired in the 2023 accounts.

25 Controlling party

The company is controlled by its parent company Czajka Group Holdings Limited, a company registered in England and Wales.

The ultimate controlling party is Redhall Limited, a company registered in the Isle of Man. Ultimate control is vested in K Czajka.

The financial statements contain information about Czajka Properties Limited as an individual company and do not contain consolidated financial information on the group to which Czajka Properties Limited belongs.

The financial statements of Redhall Limited, which consolidate those of its subsidiary companies are available from:

Redhall Limited
Victoria House
66-70 Bingley Road
Saltaire
Shipley
West Yorkshire
BD18 4DJ

26 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Closing balance £
Mr Konrad Czajka	2.00	3,292,523	293,698	68,767	3,654,988
		<u>3,292,523</u>	<u>293,698</u>	<u>68,767</u>	<u>3,654,988</u>

CZAJKA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

27 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Brookfield Care Limited	Provision of retirement communities and related property development together with a private members leisure club	Ordinary shares	100	0

The above subsidiary company is included in the consolidation of the ultimate controlling party - Redhall Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.