

Company Registration No. 01385930 (England and Wales)

BARKER CARE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

John Cumming Ross Limited
1st Floor, Kirkland House
11-15 Peterborough Road
Harrow
Middlesex
HA1 2AX

BARKER CARE LIMITED

COMPANY INFORMATION

Directors	Mr M C Desai Mr A Desai Mrs M Desai
Secretary	Mrs M Desai
Company number	01385930
Registered office	Mortimer House Clifton Down Road Bristol BS8 4AE
Auditor	John Cumming Ross Limited Chartered Certified Accountants 1st Floor, Kirkland House 11-15 Peterborough Road Harrow Middlesex HA1 2AX

BARKER CARE LIMITED

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BARKER CARE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2022

The directors present the strategic report and financial statements for the year ended 31 July 2022.

Fair review of the business

The principal activity of the company was that of owning and operating nursing homes.

The company owns four nursing homes in separate locations: St. Teresa's Nursing Home, Bath, Eden Mansions Nursing Home, Cheshire, Grosvenor Villas in Chester and Arbour Walk in Bristol.

All the nursing homes provide accommodation for adults over 65 years who require nursing or personal care. In addition to this, Eden Mansions Nursing Home and Arbour Walk also provides care for Mental Disorder and Dementia.

Turnover and profits increased over last year. Whilst the previous year had seen a partial recovery from the low points in occupancy during the Covid-19 pandemic, the year to July 2022 was a more stable year with higher average occupancy throughout. A continued path to maturity for Arbour Walk, which had opened in March 2020 and a recovery in profits at St Teresa's after a period of disruption to the home's operation also contributed to an improvement. The underlying health of the business is strong and the Directors expect further growth in 2023. Occupancy still has room to grow in 2023. Average fees increased and whilst the fee uplift from local authorities continued to be lower than inflation to mitigate this, the company continues to focus on improving the percentage of privately funded residents.

The company continues to invest in maintaining and improving the properties and fixtures and fittings of all the nursing homes to provide a comfortable, safe and happy environment for the residents. The directors regard this investment as being integral to the continuing success of the business and ensure the company provides its residents with a home which they can enjoy. The company places a strong importance on investing in the development and training of its staff to ensure that it meets all the statutory and regulatory requirements as well as providing a high level of service to their residents.

All the nursing homes are monitored by Care Quality Commission (CQC) and endeavour to meet all the standards as required by the CQC.

Financial instruments

The company's principal financial instruments comprise of bank balances, bank borrowings, trade creditors and trade debtors. The main purpose of these instruments are to raise funds for and to finance the company's operations. In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and optimisation of interest of funds placed in deposit accounts. In addition major capital investments such as acquisition and redevelopment of sites is usually funded by bank lending secured on the relevant properties, so as not to impinge on operational cashflow. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments. Trade creditors liquidity risk is managed by ensuring that sufficient funds are available to make the payments as and when they fall due. Trade debtors and cash flow are managed through credit processes to monitor and pursue overdue receipts from local councils and private residents.

BARKER CARE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

Principal risks and uncertainties

The principal risks and uncertainties facing the company relate to the impact of potential increased competition, and the possible impact of future government legislation. The directors ensure they are up to date with legislation and monitor the impact on the company of new care homes opening in the local area. The main risks are:

1. Changes in agreements with local councils. A significant proportion of revenue is derived from public sources. Cuts in public spending will inhibit the company's ability to continue to provide services to disadvantaged adults.
2. Recruiting and retaining staff is becoming more and more challenging. The company is working to address this through reviewing pay and reward structures and recruiting from as many sources as possible, both in the UK and overseas.
3. Going into the following year cost inflation is posing a significant risk to profitability. The company is managing this through careful management of fees to cover higher costs and investing in opportunities for efficiency in areas such as energy costs.

There has been no indication that the local authorities and social services will change agreements considerably, thus these sources are not threatened and an ageing population supports an increased demand for the services provided by the company.

The company has a risk management process in place, which is designed to identify, manage and mitigate business risk. It also has a dedicated Human Resource Department, an Operations head who ensures the recommendations by Care Quality Commission are implemented and maintain the highest level of care provisions to residents at all times and the quality of care is underpinned by a robust and comprehensive operating manual to guide local managers and staff.

The Chief Operating Officer and Directors have been involved in the management of the care homes for many years and have built up a considerable body of expertise. They are supported by trained nurses who have considerable experience in looking after the residents and their needs at the nursing homes. The most fundamental risk faced by the company is poor delivery of care which could impact on compliance with the Statutory Regulator and reputation and subsequently impact on occupancy and profitability. The company recognises this and has invested heavily in both their management team, management processes and quality assurance team which underpins the company's activities.

Development and performance

The company's profit on ordinary activities after taxation was £3,248,057 (2021: £1,991,365). Turnover for the year is £19,538,700 against £15,826,980 in the previous year. The results for the year are set out on page 11. At the balance sheet date the company has net current assets of £2,025,511 compared to £334,231 in 2021. At the balance sheet date the shareholders funds of the company are £15,290,713 (2021: £12,042,656). During the year the company did not declare a dividend.

Key performance indicators

Key Performance Indicators ('KPI') of the business are earnings before interest and tax, return on capital employed, average occupancy of care homes, customer satisfaction and CQC compliance.

	2022	2021
	£	£
Turnover	19,538,700	15,826,980
Earning before interest and tax	4,262,503	2,692,979
Net profit	3,248,057	1,991,365
Return on capital	15%	11%
Average room occupancy	88%	83%

BARKER CARE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

Directors' statement of duty to promote the success of the company

The directors have complied with the requirements of S172 of the Companies Act 2006. The duties are detailed in section 172 of the Companies Act 2006 are summarised as follows:

The directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole, and in doing so have regard (amongst other matters) to

- the likely consequences of any decisions in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and environment,
- the desirability of the company maintaining a reputation for high standards of business conduct ,and
- the need to act fairly as between members of the company.

Employee practices

An equal opportunities statement and policies to ensure employees are treated with dignity, respect, and equality, regardless of gender, race, nationality, ethnic identity, national origin, religious beliefs, disability, age, marital status, family circumstance, sexual orientation or trade union activity are embedded in the company's operations manual which governs all aspects of operations including recruitment, training, promotion and discipline of staff.

The company runs regular forums with the representatives of staff both to inform employees about developments in the organisation and changes in processes and also to gather feedback on the company's operations and provide employees with information about the performance of the business, challenges it faces and their contribution to resolving those. Pay and benefits structures are designed to reward staff in a way that is commensurate with their contribution to the success of the business.

Suppliers

The company relies on its suppliers to provide quality good and services in order to maintain the highest standards in meeting the needs of our residents. The company is committed to having professional and ethical relationships with its suppliers.

Local community and environment

The company's approach is to use its position to create positive change for the people and communities with which it interacts.

Reputation maintenance

The company's culture is characterised by clear responsibility, mutual respect and trust. Lawful conduct is integral to its business activities and an important condition for maintaining a reputation for high standards of business conduct and securing long term success.

Shareholders

The board contains the company's largest shareholders so there is never any conflict between the two parties.

The Directors and Senior Managers in the business have regular meetings to discuss issues in the business as well as specific forums to discuss individual business decisions. Information and observations, relating to all stakeholders and aspects of the business (financial, employee, service quality, regulation and supply chain) is taken into account in such meetings as part of any major business decision.

BARKER CARE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

Other information and explanations

Whilst the current market conditions in the care home sector are challenging, the directors however are optimistic that there will be continued and sustained growth in the company for the foreseeable future.

Future developments

The company continues to seek growth opportunities and has started to develop land in the Bristol area which was acquired in 2020 and for which it has planning permission to construct a new care home. This new home is expected to open in 2023.

The UK's exit from the European Union at the end of the transitional period of 31 December 2020 has not yet had a significant impact on the supplies or taxation arrangements.

On behalf of the board

Mr A Desai

Director

15 June 2023

BARKER CARE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2022

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

Principal activities

The principal activity of the company was that of owning and operating nursing homes.

Results and dividends

The results for the year are set out on page 10.

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

Directors

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

Mr M C Desai

Mr A Desai

Mrs M Desai

Financial instruments and future developments

Information relating to financial instruments and future developments has been included in the strategic report.

Auditor

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386 (1) of the Companies Act 1985. Therefore, the auditors, John Cumming Ross Limited will be deemed to be reappointed for each succeeding financial year.

Energy and carbon report

	2022 kWh	2021 kWh
Energy consumption		
Aggregate of energy consumption in the year	5,442,860	5,403,112
	2022 metric tonnes	2021 metric tonnes
Emissions of CO2 equivalent		
Scope 1 - direct emissions		
- Gas combustion	683.51	756.24
- Fuel consumed for owned transport	186.34	87.08
	869.85	843.32
Scope 2 - indirect emissions		
- Electricity purchased	175.66	196.91
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the company	-	-
Total gross emissions	1,045.51	1,040.23
Intensity ratio		
Tonnes CO2e per employee	3.11	3.03

BARKER CARE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per employee.

Measures taken to improve energy efficiency

- a) Continuous monitoring and control of use of heating and power in our care homes
- b) Minimise unnecessary transport movements through scheduling of staff
- c) Investing in green energy initiatives at new sites (Solar, pellet burners, CHP Plants)

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the Financial Statements in accordance with applicable law and regulations.

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

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 A Desai
Director

15 June 2023

BARKER CARE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BARKER CARE LIMITED

Opinion

We have audited the financial statements of Barker Care Limited (the 'company') for the year ended 31 July 2022 which comprise of the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 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.

BARKER CARE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BARKER CARE 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 and the directors' report.

We have nothing to report in respect of the following matters where 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.

Discussions were held with the directors and management with a view of identifying those laws and regulations that could be expected to have a material impact on the financial statements. The outcomes of these discussions and enquiries were shared with the engagement team. During the engagement briefing it was considered where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- The laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company law, tax and Pensions legislation and distributable profits legislation.
- Those laws and regulations considered to have a direct effect on the day to day operations of the company include Care Quality Commission (CQC) regulatory standards, General Data Protection Regulation (GDPR), employment law and health and safety regulations.
- It is considered that compliance with CQC regulatory standards is fundamental to the operating aspects of the business.

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

BARKER CARE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BARKER CARE LIMITED

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

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.

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.

Dilip Popatlal Unarket (Senior Statutory Auditor)

for and on behalf of John Cumming Ross Limited
Chartered Certified Accountants and Statutory Auditors
1st Floor, Kirkland House
11-15 Peterborough Road
Harrow
Middlesex
HA1 2AX

16 June 2023

BARKER CARE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £	2021 £
Turnover	3	19,538,700	15,826,980
Cost of sales		(12,245,763)	(10,586,435)
Gross profit		7,292,937	5,240,545
Administrative expenses		(3,468,907)	(3,503,804)
Other operating income		438,473	956,238
Operating profit	4	4,262,503	2,692,979
Interest receivable and similar income	7	1,045	1,579
Interest payable and similar expenses	8	(326,290)	(298,714)
Profit before taxation		3,937,258	2,395,844
Tax on profit	9	(689,201)	(404,479)
Profit for the financial year		3,248,057	1,991,365

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

BARKER CARE LIMITED

BALANCE SHEET

AS AT 31 JULY 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		26,344,335		25,177,888
Current assets					
Stocks	12	28,990		25,635	
Debtors	13	2,264,250		1,175,453	
Cash at bank and in hand		3,595,713		1,951,562	
		<u>5,888,953</u>		<u>3,152,650</u>	
Creditors: amounts falling due within one year	14	<u>(3,863,442)</u>		<u>(2,818,419)</u>	
Net current assets			<u>2,025,511</u>		<u>334,231</u>
Total assets less current liabilities			<u>28,369,846</u>		<u>25,512,119</u>
Creditors: amounts falling due after more than one year	15		(12,838,154)		(13,228,484)
Provisions for liabilities					
Deferred tax liability	17	240,979		240,979	
		<u>(240,979)</u>		<u>(240,979)</u>	
Net assets			<u>15,290,713</u>		<u>12,042,656</u>
Capital and reserves					
Called up share capital	19		100		100
Profit and loss reserves			<u>15,290,613</u>		<u>12,042,556</u>
Total equity			<u>15,290,713</u>		<u>12,042,656</u>

The financial statements were approved by the board of directors and authorised for issue on 15 June 2023 and are signed on its behalf by:

Mr A. Desai
Director

Company Registration No. 01385930

BARKER CARE LIMITED

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

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 August 2020	100	10,051,191	10,051,291
Year ended 31 July 2021:			
Profit and total comprehensive income for the year	-	1,991,365	1,991,365
Balance at 31 July 2021	100	12,042,556	12,042,656
Year ended 31 July 2022:			
Profit and total comprehensive income for the year	-	3,248,057	3,248,057
Balance at 31 July 2022	100	15,290,613	15,290,713

BARKER CARE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2022

		2022		2021	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	21	4,424,880		2,762,025	
Interest paid		(326,290)		(298,714)	
Income taxes paid		(360,223)		(139,996)	
Net cash inflow from operating activities		<u>3,738,367</u>		<u>2,323,315</u>	
Investing activities					
Purchase of tangible fixed assets		(1,327,783)		(611,955)	
Interest received		1,045		1,579	
Net cash used in investing activities		<u>(1,326,738)</u>		<u>(610,376)</u>	
Financing activities					
Repayment of bank loans		(767,478)		(633,611)	
Net cash used in financing activities		<u>(767,478)</u>		<u>(633,611)</u>	
Net increase in cash and cash equivalents		<u>1,644,151</u>		<u>1,079,328</u>	
Cash and cash equivalents at beginning of year		1,951,562		872,234	
Cash and cash equivalents at end of year		<u><u>3,595,713</u></u>		<u><u>1,951,562</u></u>	

BARKER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

Company information

Barker Care Limited is a private company limited by shares incorporated in England and Wales. The registered office is Mortimer House, Clifton Down Road, Bristol, BS8 4AE.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Turnover

Turnover represents fees earned and are accrued on the basis of the number of days occupied by the residents. To the extent that invoices are raised in advance of services being performed, the income is deferred and the amounts are treated as deferred income within creditors.

1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

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 & Building : Freehold	0% per annum
Land & Building: Long Leasehold	0% per annum
Fixtures, fittings & equipment	15% per annum on a straight line basis
Computer Equipment	15% per annum on a straight line basis

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 account.

No depreciation is provided on freehold and long leasehold properties used for the company's activities. It is the company's policy to maintain these properties in a continuous state of sound repair and to extend and improve the properties from time to time, and accordingly, it is considered that the anticipated useful life of the properties is such that any charge for depreciation would be insignificant.

1.6 Stocks

Stocks comprise perishable items of food and beverages for the consumption of the residents and is stated at cost.

BARKER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

(Continued)

1.7 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.

1.8 Financial instruments

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.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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.

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.

1.9 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

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.

1.10 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.

BARKER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

(Continued)

1.11 Retirement benefits

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

1.12 Leases

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.

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.

1.13 Government grants

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.

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.

Depreciation and useful economic life

The depreciation, in respect of tangible fixed assets, is based upon estimates of the useful economic lives of the assets involved. Useful economic life is assessed initially upon acquisition of the asset and reviewed annually taking into account any revisions of future use of those assets. The judgements involved are informed by historical experience in relation to similar assets.

Accrued and deferred income

Accrued and deferred income is based on the number of days invoiced against the number of days for which residence and care facilities have been provided in the accounting period. The estimate is based on expected receipts in the billing cycle.

Provisioning against trade debtors

Amounts due from private residents, included in trade debtors, are regularly considered for indicators of impairment, which require the company to make best estimates for these losses. Such estimates involve considering; the historical experience of bad debts; the effects of present economic conditions; and the financial health of the resident.

BARKER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

3 Turnover and other revenue

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

	2022	2021
	£	£
Turnover analysed by class of business		
Rendering of services	19,538,700	15,826,980
	<u> </u>	<u> </u>
	2022	2021
	£	£
Other significant revenue		
Interest income	1,045	1,579
Grants received	381,756	866,235
	<u> </u>	<u> </u>

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

During the year the company received Government grants of £nil (2021: £7,880) relating to the Coronavirus Job Retention Scheme and £381,756 (2021: £858,355) for grants relating to nursing homes.

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(381,756)	(866,235)
Depreciation of owned tangible fixed assets	161,336	174,100
Amortisation of intangible assets	-	1
Operating lease charges	28,045	24,866
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	20,640	20,000
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	1,320	1,140
	<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
Nursing and administrative	336	346
	<u> </u>	<u> </u>

BARKER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

6	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2022	2021
		£	£
	Wages and salaries	10,680,012	9,236,098
	Social security costs	843,056	772,720
	Pension costs	156,699	155,840
		<u>11,679,767</u>	<u>10,164,658</u>
7	Interest receivable and similar income		
		2022	2021
		£	£
	Interest income		
	Interest on bank deposits	1,045	84
	Other interest income	-	1,495
		<u>1,045</u>	<u>1,579</u>
	Total income	<u>1,045</u>	<u>1,579</u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	<u>1,045</u>	<u>84</u>
8	Interest payable and similar expenses		
		2022	2021
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	<u>326,290</u>	<u>298,714</u>
9	Taxation		
		2022	2021
		£	£
	Current tax		
	UK corporation tax on profits for the current period	748,989	459,891
	Adjustments in respect of prior periods	-	(28,312)
		<u>748,989</u>	<u>431,579</u>
	Total current tax	<u>748,989</u>	<u>431,579</u>
	Deferred tax		
	Origination and reversal of timing differences	<u>(59,788)</u>	<u>(27,100)</u>
		<u>(59,788)</u>	<u>(27,100)</u>
	Total tax charge	<u>689,201</u>	<u>404,479</u>

BARKER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

9 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	3,937,258	2,395,844
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	748,079	455,210
Tax effect of expenses that are not deductible in determining taxable profit	1,974	7,159
Adjustments in respect of prior years	-	(28,312)
Permanent capital allowances in excess of depreciation	(59,788)	(84,935)
Depreciation on assets not qualifying for tax allowances	30,654	33,079
Capital allowances	(31,718)	(35,556)
Deferred tax adjustments in respect of change in tax rate	-	57,834
Taxation charge for the year	689,201	404,479

10 Intangible fixed assets

	Goodwill £
Cost	
At 1 August 2021 and 31 July 2022	2,180,000
Amortisation and impairment	
At 1 August 2021 and 31 July 2022	2,180,000
Carrying amount	
At 31 July 2022	-
At 31 July 2021	-

BARKER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

11 Tangible fixed assets

	Land & Building Freehold	Land & Building Long Leasehold	Fixtures, fittings & equipment	Computer Equipment	Total
	£	£	£	£	£
Cost					
At 1 August 2021	19,719,607	4,721,206	1,164,803	31,066	25,636,682
Additions	1,325,139	-	2,644	-	1,327,783
At 31 July 2022	21,044,746	4,721,206	1,167,447	31,066	26,964,465
Depreciation and impairment					
At 1 August 2021	-	-	453,904	4,890	458,794
Depreciation charged in the year	-	-	157,039	4,297	161,336
At 31 July 2022	-	-	610,943	9,187	620,130
Carrying amount					
At 31 July 2022	21,044,746	4,721,206	556,504	21,879	26,344,335
At 31 July 2021	19,719,607	4,721,206	710,899	26,176	25,177,888

12 Stocks

	2022 £	2021 £
Consumables	28,990	25,635

13 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	1,870,673	785,523
Prepayments and accrued income	135,189	191,330
Deferred tax asset (note 17)	258,388	198,600
	2,264,250	1,175,453

BARKER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

14 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	16	426,796	803,944
Trade creditors		809,697	657,226
Gross amounts due to resident of Grosvenor Villas Home		10,567	10,637
Corporation tax		535,052	146,286
Other taxation and social security		197,343	162,660
Other creditors		655,842	122,388
Accruals and deferred income		1,228,145	915,278
		<u>3,863,442</u>	<u>2,818,419</u>

15 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	16	<u>12,838,154</u>	<u>13,228,484</u>

16 Loans and overdrafts

	2022 £	2021 £
Bank loans	<u>13,264,950</u>	<u>14,032,428</u>
Payable within one year	426,796	803,944
Payable after one year	<u>12,838,154</u>	<u>13,228,484</u>

The bank loans are secured by fixed and floating charges over all the assets of the company.

Interest is chargeable at 1.90% per annum plus Bank of England base rate.

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £	Assets 2022 £	Assets 2021 £
Balances:				
Decelerated capital allowances	-	-	258,388	198,600
Re rollover relief claimed on gain in prior years	<u>240,979</u>	<u>240,979</u>	<u>-</u>	<u>-</u>
	<u>240,979</u>	<u>240,979</u>	<u>258,388</u>	<u>198,600</u>

BARKER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

17 Deferred taxation (Continued)

	2022 £
Movements in the year:	
Liability at 1 August 2021	42,379
Credit to profit or loss	(59,788)
Asset at 31 July 2022	(17,409)

18 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	156,699	155,840

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.

19 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued, allotted, called-up and fully paid				
Ordinary shares of £1 each	100	100	100	100

20 Related party transactions

During the year the company paid management fees to Cedar Care Homes Limited, a company in which the directors are shareholders amounting to £1,043,919 (2021: £861,037). As at the balance sheet date, the amount due to Cedar Care Homes Limited was £350,255 (2021: £68,734)

The amount due to/(from) Desai Care Homes a partnership in which the directors of the company are partners at the balance sheet date was £71,889 (2021: £1,238).

As at 31 July 2022, the amount due to Cedar Care Development Limited, a company in which Mr A Desai is a director was £Nil (2021: £22,569). During the year the company paid construction and development costs of £907,162 (2021: £416,617) to Cedar Care Developments Limited.

BARKER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

21 Cash generated from operations

	2022 £	2021 £
Profit for the year after tax	3,248,057	1,991,365
Adjustments for:		
Taxation charged	689,201	404,479
Finance costs	326,290	298,714
Investment income	(1,045)	(1,579)
Amortisation and impairment of intangible assets	-	1
Depreciation and impairment of tangible fixed assets	161,336	174,100
Movements in working capital:		
(Increase)/decrease in stocks	(3,355)	4,388
Increase in debtors	(1,029,009)	(251,809)
Increase in creditors	1,033,405	142,366
Cash generated from operations	4,424,880	2,762,025

22 Analysis of changes in net debt

	1 August 2021 £	Cash flows £	31 July 2022 £
Cash at bank and in hand	1,951,562	1,644,151	3,595,713
Borrowings excluding overdrafts	(14,032,428)	767,478	(13,264,950)
	(12,080,866)	2,411,629	(9,669,237)

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