

Pharos Care Limited

Annual Report and Unaudited Financial Statements

For the period ended 31 March 2023

SATURDAY



ACIZWZRF

A22

23/12/2023

#226

COMPANIES HOUSE

Company number 05613970

Pharos Care Limited

Annual report and unaudited financial statements for the period ended 31 March 2023

Contents

Page:

2	Directors Responsibilities
3	Balance sheet
4	Notes forming part of the financial statements

Directors

G Fee

L Krige

Registered office

Cardinal House
Abbeyfield Court
Abbeyfield Road
Nottingham
England
NG7 2SZ

Pharos Care Limited

**Strategic report
for the period ended 31 March 2023**

Statement of director's responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared company 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 the financial statements, the directors are required to:

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

The directors are 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 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.

By order of the board



L Krige
Director

28 November 2023

Pharos Care Limited

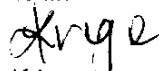
Balance sheet at 31 March 2023

	Note	31 March 2023	31 March 2023	31 January 2022	31 January 2022
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	6		74		65
			<u>74</u>		<u>65</u>
Current assets					
Debtors	7	523		503	
Cash at bank and in hand		167		34	
		<u>690</u>		<u>537</u>	
Creditors: amounts falling due within one year	9	(476)		(631)	
Net current assets / (liabilities)			<u>214</u>		<u>(94)</u>
Debtors due more than one year	8		5,693		5,414
Total assets less current liabilities			<u>5,981</u>		<u>5,385</u>
Creditors: amounts falling due more than one year	10		(2,073)		2,101
Net assets			<u>3,908</u>		<u>3,284</u>
Capital and reserves					
Called up share capital	11	-	-	-	-
Share premium reserve			220		220
Profit and loss account			3,688		3,064
Total equity			<u>3,908</u>		<u>3,284</u>

For the period ended 31 March 2023 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies and the members have not required the Company to obtain an audit of its financial statements for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the act with respect to accounting records and the preparation of the financial statements. These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime. The Directors of the Company have elected not to include a copy of the Statement of comprehensive income within the financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 28 November 2023.


L Krige
Director

Company number 05613970

Pharos Care Limited

Notes forming part of the financial statements for the period ended 31 March 2023

1 Corporate information

Pharos Care Limited (the 'Company') operates as providers of care services across the United Kingdom.

The Company is a private company limited by shares and incorporated in England. The address of its registered office is Cardinal House, Abbeyfield Court, Abbeyfield Road, Nottingham, England, NG7 2SZ.

2 Statement of compliance

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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 £'000.

The financial statements have been prepared under the historical cost convention.

3 Summary of significant accounting policies

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

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are addressed below.

Key sources of estimation uncertainty:

- Determining the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers various factors, including the ageing profile of the debtor and historical experience.

Basis of preparation

The financial statements have been prepared for the 14 Months ended 31 March 2023 and the comparatives are reported for the 12 Months ended 31 January 2022.

New standards and IFRIC interpretations

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the period ended 31 March 2023, have had a material impact on the Company.

Pharos Care Limited

Notes forming part of the financial statements for the period ended 31 March 2023 (continued)

Going Concern

The Company had net assets of £3,908k at 31 March 2023 (2022: net assets of £3,284K) and net current assets of £214k (2022: net current liabilities £94k).

As the Group's cash, and convents is managed on a Group basis, the Directors of C&C Topco Limited have provided a letter of support to the Directors of the Company. The Directors of C&C Topco Limited have reviewed the Group's cash flow forecasts and trading budgets and have formed the view that the Group is operationally and financially robust and will generate sufficient cash to support the Company in its ongoing requirements for at least the next 12 months from the date of approval of these financial statements.

Despite the increased interest payments, which has been considered in the Group's modelling, performance has recovered with the reduction in agency and overhead costs, completion of the model branch technology project and integration of acquisitions. The Group's cash flow forecasts continue to indicate strong cash generation which will be more than sufficient to meet all liabilities as they fall due. Those forecasts have been revisited regularly in FY23 and have been sensitised to consider a number of potential scenarios which are more adverse than those experienced to date. These scenarios include realistic consideration of volume decrease, cost control and prudent impact of charge and wage rate increases into FY25.

On the basis of the above and the letter of support provided by C&C Topco Limited, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in the preparation of these financial statements.

Employee benefits

The Company provides a range of benefits to employees including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as expenses in the period in which the service is received.

(ii) Pension plans

Amounts charged to the profit and loss account in respect of pension costs represents the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments.

(iii) Annual bonus plan

The Company operates an annual bonus plan for certain employees. An expense is recognised in the profit and loss account when the Company has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Fixtures, fittings and equipment	25% straight line
Leasehold improvements	25% straight line
Motor vehicles	25% straight line

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Pharos Care Limited

Notes forming part of the financial statements for the period ended 31 March 2023 (continued)

3 Summary of significant accounting policies (continued) *Financial assets*

Basic financial assets, including trade and other receivables, cash and bank balances and amounts due from group undertakings, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 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. Financial assets are derecognised when (a) the contractual rights to the cash flow from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables and amounts due to group undertakings, 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 receipts discounted at a market rate of interest.

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

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

Share capital

Ordinary shares are classified as equity.

4 Directors' remuneration

The Directors appointed during the prior year are also directors of other undertakings within the Group and their remuneration is included in the financial statements of C&C Topco Limited. No emoluments were paid to these directors for their services to the Company.

5 Staff numbers

The average number of people employed by company including directors during the period was as follows:

	14 Months to 31 March 2023 £'000	12 Months to 31 January 2022 £'000
Average number of employees	126	134

Pharos Care Limited

Notes forming part of the financial statements
for the period ended 31 March 2023 (*continued*)

6 Tangible assets

	Leasehold improvements	Motor vehicles	Fixtures fittings and equipment	Total
	£'000		£'000	£'000
Cost				
At 1 February 2022	193	4	48	245
Additions	38	-	23	61
Disposals	-	(4)	-	(4)
31 March 2023	231	-	71	302
Accumulated depreciation				
At 1 February 2022	148	4	28	180
Disposals	-	(4)	-	-
Charge for the period	38	-	14	-
At 31 March 2023	186	-	42	228
Net book value				
At 31 March 2023	45	-	29	74
At 31 January 2022	45	-	20	65

7 Debtors

	14 Months to 31 March 2023 £'000	12 Months to 31 January 2022 £'000
Trade debtors	407	427
Other debtors	37	-
Prepayments	52	49
Deferred tax assets	27	27
	523	503

All amounts shown under debtors fall due for payment within one year.

8 Debtors due more than one year

	14 Months to 31 March 2023 £'000	12 Months to 31 January 2022 £'000
Amounts owed by group undertaking	5,693	5,414

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and bear no interest.

Pharos Care Limited

Notes forming part of the financial statements
for the period ended 31 March 2023 (*continued*)

9 Creditors: amounts falling due within one year

	14 Months to 31 March 2023 £'000	12 Months to 31 January 2022 £'000
Trade creditors	87	123
Other creditors	1	7
Accruals and deferred income	294	363
Corporation tax liability	41	41
Loans and borrowings	52	96
	<u>475</u>	<u>630</u>

10 Creditors: amounts falling due more than one year

	14 Months to 31 March 2023 £'000	12 Months to 31 January 2022 £'000
Amounts owed by group undertaking	2,073	2,047
Loans and borrowings	-	54
	<u>2,073</u>	<u>2,101</u>

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and bear no interest.

11 Called up share capital

	14 Months to 31 March 2023 £	12 Months to 31 January 2022 £
<i>Allotted, called up and fully paid:</i>		
55 ordinary shares of £1 each	55	55

12 Reserves

Retained earnings represent cumulative profits and losses, net of dividends and other adjustments

Pharos Care Limited

Notes forming part of the financial statements
for the period ended 31 March 2023 (continued)

13 Capital commitments and contingent liabilities

There are no material capital commitments (2022: £nil).

The borrowings of C&C Topco Limited are secured on the assets of the Company and guaranteed by fellow members of the Group. At 31 March 2023, Group borrowings subject to the guarantee amounted to £218.2m (2022: £210.2m).

14 Commitments under operating leases

The company had minimum lease payments under non-cancellable operating leases as set out below:

	2023 £'000	2022 £'000
Not later than 1 year	671	555
Later than 1 year and not later than 5 years	2,684	2,212
Later than 5 years	6,711	6,095
	<u>10,066</u>	<u>8,862</u>

The Company had no commitments under non-cancellable operating leases as at the balance sheet date.

15 Related party transactions

The Company is included within the consolidated financial statements of C&C Topco Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption under FRS 102 'Related Party Disclosures' from disclosing related party transactions with C&C Topco Limited or other wholly owned subsidiaries which are part of the Group.

16 Ultimate controlling party

The company's immediate parent is Midway Care Group Limited, a company incorporated in England and Wales.

The ultimate parent is C&C Topco Limited, a company incorporated in England and Wales. Consolidated financial statements are available to the public and may be obtained from its registered office at Cardinal House, Abbeyfield Court, Abbeyfield Road, Nottingham, NG7 2SZ.

At 31 March 2023, the majority of the equity shareholding of C&C Topco Limited were held by Summit Partners Growth Equity Fund X, a series of limited liability partnerships. Accordingly, the directors believe there is no ultimate controlling party.