

## **Barty House Nursing Home Limited**

Directors' Report and Financial Statements

Year Ended

30 June 2022

Company Number 03949942



# Barty House Nursing Home Limited

Registered number: 03949942

## Statement of Financial Position As at 30 June 2022

	Note	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible assets	5		143,759		117,342
<b>Current assets</b>					
Debtors: amounts falling due within one year	6	355,687		228,412	
Cash at bank and in hand		4,624		5,952	
		<u>360,311</u>		<u>234,364</u>	
Creditors: amounts falling due within one year	7	(453,917)		(506,960)	
<b>Net current liabilities</b>			<u>(93,606)</u>		<u>(272,596)</u>
<b>Total assets less current liabilities</b>			<u>50,153</u>		<u>(155,254)</u>
<b>Provisions for liabilities</b>					
Deferred tax	8		-		(11,534)
Other provisions	9		(50,000)		(20,257)
<b>Net assets/(liabilities)</b>			<u>153</u>		<u>(187,045)</u>
<b>Capital and reserves</b>					
Called up share capital	10		2		2
Profit and loss account	11		151		(187,047)
<b>Total equity/(deficit)</b>			<u>153</u>		<u>(187,045)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2022.

*Brian Cooney*

**B Cooney**  
Director

The notes on pages 3 to 12 form part of these financial statements.

# Barty House Nursing Home Limited

## Statement of Changes in Equity For the Year Ended 30 June 2022

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2021	2	(187,047)	(187,045)
<b>Comprehensive income for the year</b>			
Profit for the year	-	187,198	187,198
<b>Total comprehensive income for the year</b>	-	187,198	187,198
<b>At 30 June 2022</b>	<b>2</b>	<b>151</b>	<b>153</b>

## Statement of Changes in Equity For the Year Ended 30 June 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2020	2	224,713	224,715
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(411,760)	(411,760)
<b>Total comprehensive loss for the year</b>	-	(411,760)	(411,760)
<b>At 30 June 2021</b>	<b>2</b>	<b>(187,047)</b>	<b>(187,045)</b>

The notes on pages 3 to 12 form part of these financial statements.

# Barty House Nursing Home Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

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### 1. General information

Barty House Nursing Home Limited is a company incorporated in England and Wales under the Companies Act 2006.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values have been rounded to the nearest pound.

The following principal accounting policies have been applied:

#### 2.2 Going concern

The financial statements have been prepared on the going concern basis as the directors have prepared detailed forecasts for a period of at least 12 months from the date of signing the financial statements, which show that the company and group is expected to be able to meet all its liabilities as they fall due.

The directors have produced a detailed stress test for Canford Healthcare Limited and its subsidiaries (together "the group") for which this company is a wholly owned subsidiary. The conclusion of our stress test is that the group has sufficient cash to sustain a loss of revenue of more than £2,100k, which is 4% compared to original forecast, excluding costs reductions.

Based on the original forecasts, the group is projected to meet financial covenants relating to property rental agreements in the next 12 months.

Whilst the long term impacts of the COVID-19 pandemic are significant, the group's occupancy levels have returned to a more normal level of trading, closer to pre-pandemic levels. Long term demographics indicate a significant demand for high quality care home beds.

At the statement of financial position date the group had a strong cash position of £4,651k, net current assets of £5,776k and net assets of £6,874k. The group has no debt and maintains a good relationship with the landlord of our properties.

The group has claimed government grants for significant care home costs incurred to:

- Ensure effective infection control measures are in place;
- Ensure that staff and visitors are tested for COVID-19 on a regular basis before entry to the homes;
- For workforce recruitment and retention measures.

These government grants ceased in March 2022.

# Barty House Nursing Home Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

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### 2. Accounting policies (continued)

#### 2.2 Going concern (continued)

The directors are confident that for the foreseeable future, being twelve months from the date of approval of these financial statements, the group will be able to meet its liabilities as they fall due. For this reason, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

#### 2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### 2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

Leasehold improvements	- 7 years straight line
Fixtures and fittings	- 7 years straight line
Computer equipment	- 4 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

#### 2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

# **Barty House Nursing Home Limited**

## **Notes to the Financial Statements For the Year Ended 30 June 2022**

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

#### **2.6 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### **2.7 Financial instruments**

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

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

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the profit and loss account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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

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

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

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# **Barty House Nursing Home Limited**

## **Notes to the Financial Statements For the Year Ended 30 June 2022**

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

#### **2.8 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### **2.9 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### **2.10 Operating leases: the company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

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

#### **2.11 Leased assets: the company as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### **2.12 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 non-current assets.

The cost of any unused holiday entitlement is recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **2.13 Retirement benefits**

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

# Barty House Nursing Home Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

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### 2. Accounting policies (continued)

#### 2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

#### 2.15 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 2.16 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure are credited to the profit and loss account when the qualifying conditions attached have been met. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the profit and loss in the same period as the related expenditure.

During the year income received from Coronavirus Job Retention Scheme has been accounted for in accordance with the above.



# Barty House Nursing Home Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Determine whether there are indicators of impairment of the company's fixed asset investments and amounts owed by group undertakings. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Key assumptions include:

#### *Long-term growth rates*

The management forecasts are extrapolated using growth of 3% and assumptions relevant for the business sector and are based on industry research.

### 4. Employees

The average monthly number of employees, including directors, during the year was 65 (2021 - 67).

### 5. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 July 2021	22,699	496,802	38,311	557,812
Additions	3,874	57,207	-	61,081
Transfers between classes	-	4,500	(4,500)	-
At 30 June 2022	26,573	558,509	33,811	618,893
<b>Depreciation</b>				
At 1 July 2021	9,988	398,631	31,851	440,470
Charge for the year	3,427	29,489	1,748	34,664
Transfers between classes	-	2,372	(2,372)	-
At 30 June 2022	13,415	430,492	31,227	475,134
<b>Net book value</b>				
At 30 June 2022	13,158	128,017	2,584	143,759
At 30 June 2021	12,711	98,171	6,460	117,342

Property, plant and equipment with a carrying amount of £143,759 (2021 - £117,342) have been pledged to secure liabilities of the company.

# Barty House Nursing Home Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 6. Debtors: amounts falling due within one year

	2022 £	2021 £
Trade debtors	258,505	205,228
Prepayments and accrued income	35,826	23,184
Deferred taxation	61,356	-
	<u>355,687</u>	<u>228,412</u>

The carrying amount of trade and other receivables includes £355,687 (2021 - £228,412) pledged as security for liabilities.

The company had tax losses brought forward totalling £397,816, of which £93,461 have been utilised in the year. A deferred tax asset of £61,356 has been recognised on the remaining losses and is considered to be probable to be utilised against future forecasted trading.

### 7. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	97,198	67,692
Amounts owed to group undertakings	162,614	308,173
Other taxation and social security	29,863	23,299
Other creditors	44,521	25,707
Accruals and deferred income	119,721	82,089
	<u>453,917</u>	<u>506,960</u>

### 8. Deferred taxation

	2022 £
At beginning of year	11,534
Charged to profit or loss	(72,890)
At end of year	<u>(61,356)</u>

# Barty House Nursing Home Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 8. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	2022 £	2021 £
Fixed asset timing differences	16,905	11,988
Short term timing differences	(2,172)	(454)
Tax losses carried forward	(76,089)	-
	<u>(61,356)</u>	<u>11,534</u>

The directors consider the deferred tax asset to be recoverable given the company trading .

### 9. Provisions

	Dilapidations provision £
At 1 July 2021	20,257
Charged to profit or loss	29,743
<b>At 30 June 2022</b>	<b><u>50,000</u></b>

As part of the group's leasing arrangements there is an obligation to repair damages which incur during the life of lease, such as wear and tear. The cost is charged to the profit and loss as the obligation arises. The provision is expected to be utilised as the the leases expire.

### 10. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
2 ordinary A shares of £1 each	<u>2</u>	<u>2</u>

Ordinary shares carry voting rights but have no right to fixed income or fixed repayments of capital.

# Barty House Nursing Home Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 11. Reserves

The company's capital and reserves are as follows:

#### Called up share capital

Called up share capital represents the nominal value of the shares issued.

#### Profit and loss account

Retained earnings represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties, net of dividends paid and other adjustments.

### 12. Financial commitments, guarantees and contingent liabilities

As at 30 June 2022 the company was party to a composite guarantee and debenture in respect of all liabilities due under the terms of the operating lease for the use of the property from which fellow subsidiary companies trade. Security is by way of a fixed charge over any freehold or leasehold property and other assets vested in the company and a floating charge over all assets, property and undertakings of the company both present and future. It is not practicable for an assessment of the financial effect to be ascertained as at the statement of financial position date.

### 13. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £22,293 (2021 - £19,550). Contributions totalling £6,033 (2021 - £4,839) were payable to the fund at the reporting date and are included in creditors.

### 14. Commitments under operating leases

Operating lease payments include rentals payable by the company for the use of its business premises. This lease is for a maximum term of 25 years and rentals are increased annually on an indexed basis, with upward rent reviews occurring on the 10th anniversary of the lease, and every 5 years thereafter. This lease contains a number of financial covenants which are tested on a systematic basis.

At 30 June 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	1,134,624	1,080,600
Later than 1 year and not later than 5 years	1,793,638	2,788,836
	<u>2,928,262</u>	<u>3,869,436</u>

# **Barty House Nursing Home Limited**

## **Notes to the Financial Statements For the Year Ended 30 June 2022**

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### **15. Related party transactions**

The company has taken advantage of the exemption available in section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

### **16. Controlling party**

The ultimate parent company is Canford Healthcare Limited, whose registered office is Russell House, Oxford Road, Bournemouth, Dorset, BH8 8EX.

The ultimate controlling party is Mr B Cooney by virtue of his 87.3% (2021 - 55.2%) holding of the issued share capital in Canford Healthcare Limited.

The smallest and largest group into which the company is consolidated is Canford Healthcare Limited.

### **17. Auditor's information**

The auditor's report on the financial statements for the year ended 30 June 2022 was unqualified.

The audit report was signed on 30 September 2022 by James Newman (senior statutory auditor) on behalf of BDO LLP.