

Registered number  
04457635

Hatzfeld Care Limited  
Report and Financial Statements  
31 December 2020

TUESDAY



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**Hatzfeld Care Limited**  
**Report and accounts**  
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## **Hatzfeld Care Limited Company Information**

### **Directors**

M A Willis  
J A Jenkinson  
J C Jones  
J Weldrick (appointed 6th May 2021)

### **Secretary**

M A Willis

### **Auditors**

Hemming Vincent LLP  
Chartered Accountants  
31 Abbey Road  
Grimsby  
North East Lincolnshire  
DN32 0HQ

### **Bankers**

Barclays Bank PLC  
4th Floor  
2 Humber Quays  
Wellington Street West  
Hull  
HU1 2BN

### **Registered office**

Unit 3 Trentside Business Village  
Farndon Road  
Newark  
Nottinghamshire  
NG24 4XB

### **Registered number**

04457635

**Hatzfeld Care Limited****Registered number:**

04457635

**Directors' Report**

The directors present their report and financial statements of the group and company for the year ended 31 December 2020.

**Principal activities**

The group's and the company's principal activity during the year continued to be that of the provision of residential care, mental health care and dementia care.

**Dividends**

The directors recommend a final dividend of £800,000.

**Directors**

The following persons served as directors during the year:

M A Willis

J A Jenkinson

J C Jones

J Weldrick (appointed 6th May 2021)

**Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the group's and the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's and the company's auditor is aware of that information.

This report was approved by the board on 14 September 2021 and signed on its behalf.



J A Jenkinson  
Director

## **Hatzfeld Care Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the report and 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 group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 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 group and company and of the profit or loss of the group 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 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Hatzfeld Care Limited Strategic Report

The directors present their strategic report for the group for the year ended 31 December 2020.

Management are very pleased to record another year of solid growth, in what has been a challenging year for staff and residents working through the Covid-19 pandemic. Turnover increased by over 18% with pre-tax profits increasing by over 50%.

The group successfully registered and opened a new home in May 2021, adding a further 32 beds to its portfolio. A further 8 rooms will be built in the coming months to complete this development.

Ongoing re-investment throughout the year has ensured the quality of accommodation and services remain of the highest standard.

Over the next 3-5 years, the group remains committed to build on its success in both Mental Health and Dementia Care. A new 55 bed development will commence in March 2022 and our most recent acquisition of a 20 bed dementia home is due to complete before the end of 2021.

### Financial Key Performance Indicators

	2020	2019
	£	£
Turnover	9,498,106	8,016,883
Gross profit	5,366,592	4,391,781
Gross profit margin	57%	55%
Number of operating sites	5	5
Number of sites in development	-	1

### Principal risks and uncertainties

The group considers its exposure to risks on an ongoing basis and puts in place policies and procedures to mitigate these risks. The key risks are summarised below.

#### Liquidity and cashflow risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Flexibility is achieved by loan arrangements with the group's bankers.

#### Interest risk

The group finances its operations through a combination of retained profits and flexible bank lending.

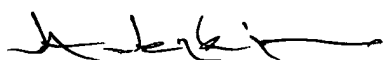
#### Credit risk

The group's principal credit risk is continually monitored through diligent credit checking procedures and reviewing debt ageing and collection history in order to mitigate credit risk exposure.

#### Future developments

The group will continue to focus on providing the highest levels of care across all areas of the business.

This report was approved by the board on 14 September 2021 and signed on its behalf.



J A Jenkinson  
Director

**Hatzfeld Care Limited**  
**Independent auditor's report**  
**to the members of Hatzfeld Care Limited**

**Opinion**

We have audited the group financial statements of Hatzfeld Care Limited for the year ended 31 December 2020 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

**Hatzfeld Care Limited**  
**Independent auditor's report**  
**to the members of Hatzfeld Care Limited**

**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 the 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.

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

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

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

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

**Responsibilities of directors**

As explained more fully in the 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.



**Hatzfeld Care Limited**  
**Independent auditor's report**  
**to the members of Hatzfeld Care Limited**

**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:

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**Use of our report**

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



Adrian Parker FCA  
(Senior Statutory Auditor)  
for and on behalf of  
Hemming Vincent LLP  
Chartered Accountants and Statutory Auditors

31 Abbey Road  
Grimsby  
North East Lincolnshire  
DN32 0HQ

14 September 2021

**Hatzfeld Care Limited**  
**Consolidated Income Statement**  
**for the year ended 31 December 2020**


	Notes	2020 £	2019 £
Turnover	3	9,498,106	8,016,883
Cost of sales		(4,131,514)	(3,625,102)
<b>Gross profit</b>		<u>5,366,592</u>	<u>4,391,781</u>
Administrative expenses		(2,645,949)	(2,371,277)
Other operating income		215,378	-
<b>Operating profit</b>	4	<u>2,936,021</u>	<u>2,020,504</u>
Interest payable	7	(150,947)	(176,794)
<b>Profit on ordinary activities before taxation</b>		<u>2,785,074</u>	<u>1,843,710</u>
Tax on profit on ordinary activities	8	(530,480)	(349,550)
<b>Profit for the financial year attributable to the owners of the parent</b>		<u>2,254,594</u>	<u>1,494,160</u>

**Hatzfeld Care Limited**  
**Consolidated Statement of Comprehensive Income**  
**for the year ended 31 December 2020**

	Notes	2020 £	2019 £
Profit for the financial year		2,254,594	1,494,160
Other comprehensive income		-	-
<b>Total comprehensive income for the year attributable to the owners of the parent</b>		<u>2,254,594</u>	<u>1,494,160</u>

**Hatzfeld Care Limited**  
**Consolidated Statement of Financial Position**  
**as at 31 December 2020**

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	9	44,142	34,361
Tangible assets	10	11,692,451	10,247,509
		<u>11,736,593</u>	<u>10,281,870</u>
<b>Non current assets</b>	11	1,527,772	1,577,773
<b>Current assets</b>			
Stocks	13	8,287	3,078
Debtors	14	975,235	197,657
Cash at bank and in hand		514,932	326,344
		<u>1,498,454</u>	<u>527,079</u>
<b>Creditors: amounts falling due within one year</b>	15	(2,368,598)	(1,888,461)
<b>Net current liabilities</b>		<u>(870,144)</u>	<u>(1,361,382)</u>
<b>Total assets less current liabilities</b>		<u>12,394,221</u>	<u>10,498,261</u>
<b>Creditors: amounts falling due after more than one year</b>	16	(7,161,811)	(6,736,114)
<b>Provisions for liabilities</b>			
Deferred taxation	19	(121,163)	(105,494)
<b>Net assets</b>		<u>5,111,247</u>	<u>3,656,653</u>
<b>Capital and reserves</b>			
Called up share capital	20	165,100	165,100
Other reserves	21	183,515	183,515
Profit and loss account attributable to the owners of the parent	22	4,762,632	3,308,038
<b>Total equity</b>		<u>5,111,247</u>	<u>3,656,653</u>

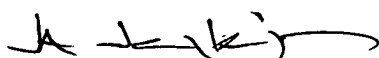


J A Jenkinson  
Director

Approved by the board on 14 September 2021

**Hatzfeld Care Limited**  
**Company Statement of Financial Position**  
**as at 31 December 2020**

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	9	44,142	34,361
Tangible assets	10	9,793,779	10,247,509
Investments	12	1	-
		<u>9,837,922</u>	<u>10,281,870</u>
<b>Non current assets</b>	11	1,527,772	1,577,773
<b>Current assets</b>			
Stocks	13	8,287	3,078
Debtors	14	2,756,553	197,657
Cash at bank and in hand		483,534	326,344
		<u>3,248,374</u>	<u>527,079</u>
<b>Creditors: amounts falling due within one year</b>	15	(2,219,847)	(1,888,461)
<b>Net current assets/(liabilities)</b>		<u>1,028,527</u>	<u>(1,361,382)</u>
<b>Total assets less current liabilities</b>		<u>12,394,221</u>	<u>10,498,261</u>
<b>Creditors: amounts falling due after more than one year</b>	16	(7,161,811)	(6,736,114)
<b>Provisions for liabilities</b>			
Deferred taxation	19	(121,163)	(105,494)
<b>Net assets</b>		<u>5,111,247</u>	<u>3,656,653</u>
<b>Capital and reserves</b>			
Called up share capital	20	165,100	165,100
Other reserves	21	183,515	183,515
Profit and loss account		4,762,632	3,308,038
<b>Total equity</b>		<u>5,111,247</u>	<u>3,656,653</u>



J A Jenkinson  
Director

Approved by the board on 14 September 2021

**Hatzfeld Care Limited**  
**Consolidated Statement of Changes in Equity**  
**for the year ended 31 December 2020**

	Share capital £	Other reserves £	Profit and loss account £	Total £
<b>At 1 January 2019</b>	165,100	183,515	2,643,878	2,992,493
Profit for the financial year	-	-	1,494,160	1,494,160
Dividends	-	-	(830,000)	(830,000)
<b>At 31 December 2019</b>	<u>165,100</u>	<u>183,515</u>	<u>3,308,038</u>	<u>3,656,653</u>
 <b>At 1 January 2020</b>	 165,100	 183,515	 3,308,038	 3,656,653
Profit for the financial year	-	-	2,254,594	2,254,594
Dividends	-	-	(800,000)	(800,000)
<b>At 31 December 2020</b>	<u>165,100</u>	<u>183,515</u>	<u>4,762,632</u>	<u>5,111,247</u>

**Hatzfeld Care Limited**  
**Company Statement of Changes in Equity**  
**for the year ended 31 December 2020**

	Share capital £	Other reserves £	Profit and loss account £	Total £
<b>At 1 January 2019</b>	165,100	183,515	2,643,878	2,992,493
Profit for the financial year	-	-	1,494,160	1,494,160
Dividends	-	-	(830,000)	(830,000)
<b>At 31 December 2019</b>	<u>165,100</u>	<u>183,515</u>	<u>3,308,038</u>	<u>3,656,653</u>
<b>At 1 January 2020</b>	165,100	183,515	3,308,038	3,656,653
Profit for the financial year	-	-	2,254,594	2,254,594
Dividends	-	-	(800,000)	(800,000)
<b>At 31 December 2020</b>	<u>165,100</u>	<u>183,515</u>	<u>4,762,632</u>	<u>5,111,247</u>

**Hatzfeld Care Limited**  
**Consolidated Statement of Cash Flows**  
**for the year ended 31 December 2020**

	Notes	2020 £	2019 £
<b>Operating activities</b>			
Profit for the financial year		2,254,594	1,494,160
Adjustments for:			
Interest payable		150,947	176,794
Tax on profit on ordinary activities		530,480	349,550
Depreciation		188,491	164,475
Amortisation of goodwill		11,036	-
Increase in stocks		(5,209)	(66)
(Increase)/decrease in debtors		(727,577)	396,898
Increase in creditors		198,817	193,661
		<u>2,601,579</u>	<u>2,775,472</u>
Interest paid		(150,947)	(176,794)
Corporation tax paid		(382,371)	(425,693)
		<u>2,068,261</u>	<u>2,172,985</u>
<b>Investing activities</b>			
Payments to acquire intangible fixed assets		(20,817)	(34,361)
Payments to acquire tangible fixed assets		(1,633,433)	(1,034,670)
		<u>(1,654,250)</u>	<u>(1,069,031)</u>
<b>Financing activities</b>			
Equity dividends paid		(800,000)	(830,000)
Proceeds from new loans		750,000	800,000
Repayment of loans		(163,209)	(548,476)
Capital element of finance lease payments		(13,684)	18,699
		<u>(226,893)</u>	<u>(559,777)</u>
<b>Net cash generated</b>			
Cash generated by operating activities		2,068,261	2,172,985
Cash used in investing activities		(1,654,250)	(1,069,031)
Cash used in financing activities		(226,893)	(559,777)
		<u>187,118</u>	<u>544,177</u>
Net cash generated		<u>187,118</u>	<u>544,177</u>
Cash and cash equivalents at 1 January		326,344	(217,833)
Cash and cash equivalents at 31 December		<u>513,462</u>	<u>326,344</u>
Cash and cash equivalents comprise:			
Cash at bank		514,932	326,344
Bank overdrafts	15	(1,470)	-
		<u>513,462</u>	<u>326,344</u>



**Hatzfeld Care Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 December 2020**

**1 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of the consolidated and separate financial statements are set out below.

The policies have been consistently applied to all the years presented unless otherwise stated.

***Basis of preparation***

The group and individual financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The company has taken advantage of the exemption in section 408 of the Companies Act from presenting its individual profit and loss account.

***Exemptions for qualifying entries under FRS 102***

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions.

The company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures;
- from disclosing share-based payment arrangements, required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23, concerning its own equity instruments, as the company financial statements are presented with the consolidated financial statements and the relevant disclosures are included therein; and
- from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

***Basis of consolidation***

The group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings made up to 31 December.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for that entity as a subsidiary.

Where a subsidiary has different accounting policies to the group, adjustments are made to those subsidiary financial statements to apply the group's accounting policies when preparing the consolidated financial statements.

**Hatzfeld Care Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 December 2020**

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated income statement. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

Where control of a subsidiary is achieved in stages, the initial acquisition that gave the group control is accounted for as a business combination. Thereafter where the group increases its controlling interest in the subsidiary the transaction is treated as a transaction between equity holders. Any difference between the fair value of the consideration paid and the carrying amount of the non-controlling interest acquired is recognised directly in equity. No changes are made to the carrying value of assets, liabilities or provisions for contingent liabilities.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the group's interest in the entity.

***Turnover***

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the rendering of care services and is recognised at the point in which the service is provided.

***Intangible fixed assets***

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses.

***Tangible fixed assets***

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Motor vehicles	20% straight line
Fixtures and equipment	10% 15% & 33% straight line

***Investments***

Investments in company subsidiaries, associates and joint ventures are measured at cost less any accumulated impairment losses. Listed investments are measured at fair value. Unlisted investments are measured at fair value unless the value cannot be measured reliably, in which case they are measured at cost less any accumulated impairment losses. Changes in fair value are included in the profit and loss account.

**Hatzfeld Care Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 December 2020**

***Stocks***

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

***Debtors***

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

***Creditors***

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

***Taxation***

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

***Provisions***

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

***Leased assets***

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

**Hatzfeld Care Limited**  
**Notes to the Consolidated Accounts**  
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***Pensions***

Contributions to defined contribution plans are expensed in the period to which they relate.

**2 Critical accounting estimates and judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions in applying the company's accounting policies to determine the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

**3 Analysis of group turnover**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Services rendered	<u>9,498,106</u>	<u>8,016,883</u>
By geographical market:		
UK	<u>9,498,106</u>	<u>8,016,883</u>

**4 Group operating profit**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation of owned fixed assets	188,491	164,475
Amortisation of goodwill	11,036	-
Operating lease rentals - plant and machinery	11,003	11,003
Operating lease rentals - land and buildings	27,000	27,000
Auditors' remuneration for audit services	45,318	37,765
Key management personnel compensation (including directors' emoluments)	<u>330,879</u>	<u>341,977</u>

**5 Directors' emoluments - Group**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Emoluments	<u>330,879</u>	<u>341,977</u>
Highest paid director:		
Emoluments	<u>160,582</u>	<u>179,489</u>

**Hatzfeld Care Limited**  
**Notes to the Consolidated Accounts**  
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<b>6 Staff costs - Group</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,504,994	3,841,364
Social security costs	334,006	282,813
Other pension costs	66,104	53,618
	<u>4,905,104</u>	<u>4,177,795</u>
 <b>Average number of employees during the year - Group</b>	 <b>Number</b>	 <b>Number</b>
Administration	7	7
Care	198	185
	<u>205</u>	<u>192</u>
 <b>7 Interest payable - Group</b>	 <b>2020</b>	 <b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<u>150,947</u>	<u>176,794</u>
 <b>8 Taxation - Group</b>	 <b>2020</b>	 <b>2019</b>
	<b>£</b>	<b>£</b>
<b>Analysis of charge in period</b>		
Current tax:		
UK corporation tax on profits of the period	514,811	339,872
Deferred tax:		
Origination and reversal of timing differences	15,669	9,678
	<u>530,480</u>	<u>349,550</u>
Tax on profit on ordinary activities		

**Hatzfeld Care Limited**  
**Notes to the Consolidated Accounts**  
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**Factors affecting tax charge for period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>2,785,074</u>	<u>1,843,710</u>
Standard rate of corporation tax in the UK	19%	19%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	529,164	350,305
Effects of:		
Expenses not deductible for tax purposes	81,076	97,518
Capital allowances for period in excess of depreciation	(95,429)	(107,951)
Current tax charge for period	<u>514,811</u>	<u>339,872</u>

**Factors that may affect future tax charges**

There are no factors affecting future tax charges.

**9 Intangible fixed assets**

Research and Development:

**Cost**

At 1 January 2020

Additions

At 31 December 2020

**Amortisation**

Provided during the year

At 31 December 2020

**Carrying amount**

At 31 December 2020

At 31 December 2019

**Group and  
company  
£**

34,361

20,817

55,178

11,036

11,036

44,142

34,361

Research and development will be written off in equal annual instalments over its estimated economic life of 5 years.

**Hatzfeld Care Limited**  
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**10 Tangible fixed assets - Group**

	Freehold land and buildings £	Motor vehicles £	Fixtures and equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2020	9,478,209	136,357	1,776,201	11,390,767
Additions	1,303,429	15,003	315,001	1,633,433
At 31 December 2020	<u>10,781,638</u>	<u>151,360</u>	<u>2,091,202</u>	<u>13,024,200</u>
<b>Depreciation</b>				
At 1 January 2020	-	75,538	1,067,720	1,143,258
Charge for the year	-	21,928	166,563	188,491
At 31 December 2020	<u>-</u>	<u>97,466</u>	<u>1,234,283</u>	<u>1,331,749</u>
<b>Carrying amount</b>				
At 31 December 2020	<u>10,781,638</u>	<u>53,894</u>	<u>856,919</u>	<u>11,692,451</u>
At 31 December 2019	<u>9,478,209</u>	<u>60,819</u>	<u>708,481</u>	<u>10,247,509</u>
			<b>2020</b>	<b>2019</b>
			<b>£</b>	<b>£</b>
Carrying amount of land and buildings on cost basis			<u>10,599,743</u>	<u>9,296,314</u>

The freehold land and buildings were professionally valued in May 2008 by Atisreal, property valuation experts.

**Tangible fixed assets - Company**

	Freehold land and buildings £	Motor vehicles £	Fixtures and equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2020	9,478,209	136,357	1,776,201	11,390,767
Additions	459,914	15,003	239,844	714,761
Disposals	(980,000)	-	-	(980,000)
At 31 December 2020	<u>8,958,123</u>	<u>151,360</u>	<u>2,016,045</u>	<u>11,125,528</u>
<b>Depreciation</b>				
At 1 January 2020	-	75,538	1,067,720	1,143,258
Charge for the year	-	21,928	166,563	188,491
At 31 December 2020	<u>-</u>	<u>97,466</u>	<u>1,234,283</u>	<u>1,331,749</u>
<b>Carrying amount</b>				
At 31 December 2020	<u>8,958,123</u>	<u>53,894</u>	<u>781,762</u>	<u>9,793,779</u>
At 31 December 2019	<u>9,478,209</u>	<u>60,819</u>	<u>708,481</u>	<u>10,247,509</u>
			<b>2020</b>	<b>2019</b>
			<b>£</b>	<b>£</b>
Carrying amount of land and buildings on cost basis			<u>8,776,228</u>	<u>9,296,314</u>

**Hatzfeld Care Limited**  
**Notes to the Consolidated Accounts**  
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The freehold land and buildings were professionally valued in May 2008 by Atisreal, property valuation experts.



**Hatzfeld Care Limited**  
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**11 Non current asset**

	<b>Group and Company</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Debtors - amounts falling due after one year	1,527,772	1,577,773
	<u>1,527,772</u>	<u>1,577,773</u>

The long term debtor is in respect of an intercompany balance with a related party company. There are no fixed repayment terms for the repayment of this debt.

**12 Investments - Company**

	<b>Investments in subsidiary undertakings</b>	<b>Other investments</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2020	-	-	-
Additions	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>
At 31 December 2020	1	-	1

The company holds 20% or more of the share capital of the following companies:

<b>Company</b>	<b>Shares held</b>		<b>Capital and reserves</b>	<b>Profit (loss)</b>
	<b>Class</b>	<b>%</b>	<b>£</b>	<b>for the year</b>
				<b>£</b>
Hatzfeld Care (Lincoln) Limited	Ordinary	100	1	-

The above subsidiary is included in the consolidation. The company's investment in Hatzfeld Care (Lincoln) Limited is direct ownership.

**13 Stocks**

	<b>Group and company</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	<u>8,287</u>	<u>3,078</u>

**Hatzfeld Care Limited**  
**Notes to the Consolidated Accounts**  
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<b>14 Debtors</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Trade debtors	49,538	142,838	53,318	142,838
Other debtors	878,231	29,028	878,231	29,028
Prepayments and accrued income	43,686	25,791	43,686	25,791
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,785,098	-	-	-
	<u>2,756,553</u>	<u>197,657</u>	<u>975,235</u>	<u>197,657</u>

Included in trade debtors is an amount of £6,549 (2019: £6,667) due from a related party. Included in other debtors is an amount of £867,442 (2019: £Nil) There are no fixed terms for repayment of this debt.

<b>15 Creditors: amounts falling due within one year</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Bank overdrafts	1,470	-	1,470	-
Bank loans	800,201	650,201	800,201	650,201
Obligations under finance lease and hire purchase contracts	12,785	15,375	12,785	15,375
Trade creditors	269,299	329,829	418,050	329,829
Corporation tax	472,301	339,861	472,301	339,861
Other taxes and social security costs	156,993	162,817	156,993	162,817
Other creditors	292,759	224,910	292,759	224,910
Accruals and deferred income	214,039	165,468	214,039	165,468
	<u>2,219,847</u>	<u>1,888,461</u>	<u>2,368,598</u>	<u>1,888,461</u>

Included in trade creditors is an amount of £Nil (2019: £Nil) due to a related party. There are no fixed terms for repayment of this debt.

<b>16 Creditors: amounts falling due after one year</b>	<b>Group and company</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans	7,158,102	6,721,311
Obligations under finance lease and hire purchase contracts	3,709	14,803
	<u>7,161,811</u>	<u>6,736,114</u>

**Hatzfeld Care Limited**  
**Notes to the Consolidated Accounts**  
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**17 Loans**

	<b>Group and company</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Analysis of maturity of debt:		
Within one year or on demand	801,671	650,201
Between one and two years	800,201	650,201
Between two and five years	6,357,901	6,071,110
	<u>7,959,773</u>	<u>7,371,512</u>

The bank loans are secured by legal charges over the company's land and buildings and a cross guarantee. The loans are being repaid by monthly and quarterly payments over a period of 5 years at a rate of 2% above the base rate.

**18 Obligations under finance leases and hire purchase contracts**

	<b>Group and company</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Amounts payable:		
Within one year	12,785	15,375
Within two to five years	3,709	14,803
	<u>16,494</u>	<u>30,178</u>

The finance lease and hire purchase obligation relates to the acquisition of a motor vehicle and is secured by a charge over the vehicle related to the individual contract. The contract is for a period of 36 months and has an interest rate of 6% to 10% over the full term of the contract.

**19 Deferred taxation**

	<b>Group and company</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<u>121,163</u>	<u>105,494</u>
	<b>Group and company</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
At 1 January	105,494	95,816
Charged to the profit and loss account	15,669	9,678
	<u>121,163</u>	<u>105,494</u>
At 31 December		

**Hatzfeld Care Limited**  
**Notes to the Consolidated Accounts**  
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20 Share capital	Group and company		Group and company	
	Nominal value	2020 Number	2020 £	2019 £
Allotted, called up and fully paid: Ordinary shares	£1 each	165,100	<u>165,100</u>	<u>165,100</u>

21 Other reserves	Group and company	
	2020 £	2019 £
Revaluation reserve		
At 1 January	183,515	183,515
At 31 December	<u>183,515</u>	<u>183,515</u>

22 Profit and loss account	Group	
	2020 £	2019 £
At 1 January	3,308,038	2,643,878
Profit for the financial year	2,254,594	1,494,160
Dividends	(800,000)	(830,000)
At 31 December	<u>4,762,632</u>	<u>3,308,038</u>

23 Dividends	Group	
	2020 £	2019 £
Dividends on ordinary shares (note 22)	<u>800,000</u>	<u>830,000</u>

**24 Other financial commitments**

Total future minimum lease payments under non-cancellable operating leases:

	Group and company		Group and company	
	Land and buildings 2020 £	Land and buildings 2019 £	Other 2020 £	Other 2019 £
Falling due:				
within one year	-	-	-	1,110
within two to five years	<u>27,000</u>	<u>54,000</u>	<u>-</u>	<u>-</u>
	<u>27,000</u>	<u>54,000</u>	<u>-</u>	<u>1,110</u>

**Hatzfeld Care Limited**  
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**25 Related party transactions**

During the year the shareholding directors received dividends from the company of £493,335 (2019: £553,335).

During the year the group and company traded with related party companies all under common control.

	<b>Company 2020 £</b>	<b>Company 2019 £</b>	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Sales to these companies	54,433	77,794	54,433	77,794
Purchases from these companies	-	-	-	-
Balances due from these companies at the year end	4,186,862	1,584,440	2,401,764	1,584,440

**26 Controlling party**

The group and company is controlled by the directors.

**27 Presentation currency**

The group's and company's functional and presentation currency is Sterling.

**28 Legal form of entity and country of incorporation**

Hatzfeld Care Limited is a private company limited by shares and incorporated in England.

**29 Principal place of business**

The address of the company's principal place of business and registered office is:

Unit 3 Trentside Business Village  
 Farndon Road  
 Newark  
 Nottinghamshire  
 NG24 4XB