

Care Plus Essex Limited

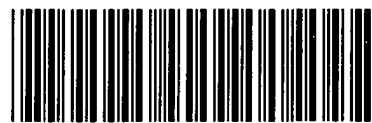
Financial Statements

Year Ended

30 September 2019

Company Number 05495472

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Care Plus Essex Limited

Registered number:05495472

Statement of Financial Position As at 30 September 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Intangible assets	5	-	-	-	-
Tangible assets	6	9,114	9,114	10,674	10,674
			<u>9,114</u>		<u>10,674</u>
Current assets					
Stocks		-	874		
Debtors: amounts falling due after more than one year	7	1,376	565		
Debtors: amounts falling due within one year	7	72,497	83,885		
Cash at bank and in hand		94,707	144,849		
		<u>168,580</u>	<u>230,173</u>		
Creditors: amounts falling due within one year	8	(59,988)	(75,270)		
Net current assets			<u>108,592</u>		<u>154,903</u>
Total assets less current liabilities			<u>117,706</u>		<u>165,577</u>
Creditors: amounts falling due after more than one year			(28,772)		(179,605)
Net assets/(liabilities)			<u><u>88,934</u></u>		<u><u>(14,028)</u></u>
Capital and reserves					
Called up share capital	10	100	100		100
Profit and loss account	11	88,834	88,834		(14,128)
Total equity			<u><u>88,934</u></u>		<u><u>(14,028)</u></u>

Care Plus Essex Limited

Registered number:05495472

Statement of Financial Position (continued) As at 30 September 2019

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 statement of comprehensive income 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
25 September 2020.

M J King
Director



G D Cochrane
Director



The notes on pages 4 to 15 form part of these financial statements.

Care Plus Essex Limited

Statement of Changes in Equity For the Year Ended 30 September 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 October 2018	100	(14,128)	(14,028)
Comprehensive profit for the year			
Profit for the year	-	102,962	102,962
Total comprehensive profit for the year	-	102,962	102,962
At 30 September 2019	100	88,834	88,934

Statement of Changes in Equity For the Year Ended 30 September 2018

	Called up share capital £	Profit and loss account £	Total equity £
At 1 October 2017	100	3,029	3,129
Comprehensive loss for the year			
Loss for the year	-	(17,157)	(17,157)
Total comprehensive loss for the year	-	(17,157)	(17,157)
At 30 September 2018	100	(14,128)	(14,028)

The notes on pages 4 to 15 form part of these financial statements.

Care Plus Essex Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

1. General information

Care Plus Essex Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity is set out in the directors' report.

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 are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

The company is part of the group headed by Healthcare Homes (Genesis) Limited ("the group"). The company meets its day to day working capital requirements from its own cash resources and through intercompany funding arrangements with other group companies. Therefore, in light of this operational and financial support provided by the group, the going concern assessment of the company has been made as part of the assessment for the Healthcare Homes (Genesis) group as a whole.

Subsequent to the year end, the Covid-19 pandemic impacted the United Kingdom. Social care, and the vulnerable people for whom the group provides care, was at the heart of the pandemic, and as result the group was impacted by effects of the pandemic.

Care Plus Essex Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

2. Accounting policies (continued)

2.2 Going concern (continued)

Trading performance

Covid-19 has had a short-term impact on the revenues of the group, with occupancy levels falling as a result of increased mortality rates and reduced admissions whilst our care homes maintain strict resident admission policies. The domiciliary care division reported a temporary reduction in weekly hours of care being delivered as furloughed families were picking up certain tasks for their loved ones, predominantly in relation to "social" visits.

We are now past the well-publicised peak of the pandemic and the group have entered the recovery phase of trading, performing well in this respect through recent months.

The Government and Local Authorities have supported the sector through various streams of stimulus funding: Resilience Funds; Minimum Income Guarantees; and Infection Control Funds.

The combination of these stimulus funds has aided in supporting the group through the pandemic and has helped to ensure the ongoing provision of our services. The group has not closed any locations since the statement of financial position date because of Covid-19 and does not intend to do so for the foreseeable future.

Furthermore, the announcement on 30 April 2020 of the backdated increase in Funded Nursing Care ("FNC") from £165.56 to £180.31 for the fiscal year of 1 April 2019 to 31 March 2020, and further increase to £183.92 from 1 April 2020, has benefitted the group.

Cash flow

Despite the impact of Covid-19 on trading, the group has benefitted from stimulus funding noted above provided by Government and Local Authorities to help cover additional costs incurred throughout the pandemic. Certain Local Authorities have also changed their payment calendars and accelerated payment cycles to assist the sector with cash flow. The group temporarily ceased all but health and safety essential capital expenditure during the pandemic to ensure that cash balances are managed effectively whilst being impacted by reduced trading profitability. The group continued to ensure best value purchasing was upheld throughout the pandemic, despite several significant price increases in certain items. The group continues to review and forecast cash flow on a regular basis.

Other impacts

Supply chains

Supply chains have remained resilient through Covid-19 with the group widening its supplier base where required to ensure that all PPE (personal protective equipment) is provided where required and other business critical supplies are received. Local Authorities have supported the group through the pandemic with the provision of PPE as they created supply chains of their own.

Reduced workforce

The group experienced an increase in employee sickness absence during the early months of the pandemic, particularly in the care homes division, with the government initially recommending Covid-19 symptomatic persons to self-isolate for 7 days and for any household members of Covid-19 symptomatic persons to self-isolate for 14 days. This led to a short-term increase in the agency usage of the group as we ensured the ongoing care provision for our residents. This has since reduced to usual levels of sickness absence and the group's agency usage has returned to similar levels as those reported prior to the pandemic.

Care Plus Essex Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

2. Accounting policies (continued)

2.2 Going concern (continued)

The group utilised the Coronavirus Job Retention Scheme provided by Central Government to protect those members of staff who were instructed to shield as a result of the pandemic.

Structural finance

Existing facilities

The group does not have an overdraft facility as it is not forecast to require this facility in the foreseeable future.

Future performance

The Directors have prepared and assessed forecasts for the group for the coming 12 months, projecting expected occupancy levels, weekly homecare hours and agency usage in order to assess the impact on future performance. These are based on the following assumptions:

- KPIs commencing in line with current reported statistics
- Continued recovery from the effect of Covid-19 at its peak, in line with the actual recovery delivered to date
- Occupancy set at a fair maintainable trade lower than the occupancy levels actually being delivered before Covid-19
- Average Weekly Fee maintained at current levels
- Agency usage included at fair maintainable levels, higher than were being incurred before Covid-19
- Steady growth in homecare volumes following quick recovery from any impact of Covid-19 on the months already passed

This forecast shows the group will continue to trade positively for the next 12 months and onwards and will continue to accumulate cash reserves.

The Directors have sensitised these projections in order to assess the potential impact of a second wave of Covid-19. The key differences to the forecast above are as follows:

- Occupancy forecast to reduce to the same low point experienced during the first wave of Covid-19
- Steady recovery from the low point in November and December at a recovery rate lower than that delivered from the first wave until a fair maintainable trade is reached in October 2021

The sensitised projections also show positive trading performance for the coming 12 months. The sensitised forecasts do result in a negative cash flow over the coming 12 months, but the group has sufficient cash reserves brought forward to remain liquid and meet its liabilities as they fall due.

Conclusion

The pandemic has impacted the trading performance of the group, but it remains well placed to recover from the impact. There are options available to arrange structured finance to support the ongoing trade of the business, should the need arise. The directors therefore believe that it is appropriate to prepare these financial statements on a going concern basis.

Care Plus Essex Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

2. Accounting policies (continued)

2.3 Turnover

Turnover represents sales to external customers at invoiced amounts, excluding VAT. Invoices are raised on a weekly or four weekly basis and turnover is recognised in the period to which it relates.

2.4 Intangible assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the statement of comprehensive income over its useful economic life.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Goodwill	-	20 % straight line
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2.5 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:

Fixtures and fittings	-	10% per annum
Office equipment	-	20% per annum

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 the statement of comprehensive income.

Care Plus Essex Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

2. Accounting policies (continued)

2.6 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.9 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.

2.10 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.

2.11 Leased assets: Lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

2.12 Pensions

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Care Plus Essex Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

2. Accounting policies (continued)

2.13 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, 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.

2.15 Financial instruments

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Care Plus Essex Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

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 leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible and intangible assets, including goodwill. 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.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 6)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Employees

The average monthly number of employees, excluding the directors, during the year was 33 (2018 - 36).

Care Plus Essex Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

5. Intangible assets

	Goodwill £
Cost	
At 1 October 2018	50,000
At 30 September 2019	50,000
Amortisation	
At 1 October 2018	50,000
At 30 September 2019	50,000
Net book value	
At 30 September 2019	-
At 30 September 2018	-

Care Plus Essex Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

6. Tangible fixed assets

	Furniture, fittings and equipment £
Cost	
At 1 October 2018	25,542
Additions	496
Disposals	(13,761)
At 30 September 2019	<u>12,277</u>
Depreciation	
At 1 October 2018	14,868
Charge for the year	2,056
Disposals	(13,761)
At 30 September 2019	<u>3,163</u>
Net book value	
At 30 September 2019	<u>9,114</u>
At 30 September 2018	<u>10,674</u>

Care Plus Essex Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

7. Debtors

	2019 £	2018 £
Due after more than one year		
Deferred tax asset	1,376	565
	<u>1,376</u>	<u>565</u>
Due within one year		
Trade debtors	23,745	36,023
Other debtors	-	1,908
Prepayments and accrued income	48,752	45,954
	<u>72,497</u>	<u>83,885</u>

The impairment loss recognised in the statement of comprehensive income for the year in respect of bad and doubtful trade and other debtors was £1,908 (2018 - £1,103).

8. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	7,603	26,931
Other taxation and social security	3,417	4,538
Other creditors	35,505	30,072
Accruals and deferred income	13,463	13,729
	<u>59,988</u>	<u>75,270</u>

Care Plus Essex Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

9. Deferred taxation

	2019 £
At beginning of year	565
Credited to statement of comprehensive income	811
At end of year	1,376

The deferred tax asset is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	1,287	519
Other timing difference	89	46
	1,376	565

10. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100

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

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

12. Pension commitments

The company operates a defined contributions 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 £5,679 (2018 - £2,825). Contributions totalling £1,053 (2018 - £533) were payable to the fund at the reporting date and are included in creditors.

Care Plus Essex Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

13. Commitments under operating leases

At 30 September 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	<u>7,000</u>	<u>8,400</u>

14. 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.

15. Parent undertaking and control

The immediate parent undertaking is Manorcourt Care (Norfolk) Limited, a company incorporated in the United Kingdom.

Up to 17 September 2019, the company's ultimate parent company was Healthcare Homes Holdings Limited which is the parent undertaking of the largest and smallest group for which consolidated financial statements are prepared. Consolidated financial statements are available from Companies House, Cardiff, CF14 3UZ.

On 17 September 2019, 100% of the share capital of Healthcare Homes Holdings Limited was acquired by Healthcare Homes (Genesis) Limited, a company incorporated in the United Kingdom, now the ultimate controlling party.

Healthcare Homes Holdings Limited and Healthcare Homes (Genesis) Limited registered office is The Beeches, Apex 12, Old Ipswich Road, Ardleigh, Colchester, CO7 7QR.

In the opinion of the directors there is no ultimate controlling party to Healthcare Homes (Genesis) Limited.

16. Post statement of financial position events

Subsequent to the year end the World Health Organisation confirmed COVID-19 as a worldwide pandemic, the impact of the pandemic has been considered further in Note 2.2.

17. Auditor's information

The auditor's report on the financial statements for the year ended 30 September 2019 was unqualified.

The audit report was signed on 25 September 2020 by Richard Levy (senior statutory auditor) on behalf of BDO LLP.