

Company Registration No. 05697610 (England and Wales)

DRS CARE HOMES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

DRS CARE HOMES LIMITED

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DRS CARE HOMES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5		1,896,514		1,869,608
Investments	6		1		1
			<u>1,896,515</u>		<u>1,869,609</u>
Current assets					
Debtors	8	5,284,277		5,574,858	
Cash at bank and in hand		218,507		13,623	
		<u>5,502,784</u>		<u>5,588,481</u>	
Creditors: amounts falling due within one year	9	(2,436,445)		(2,593,520)	
Net current assets			<u>3,066,339</u>		<u>2,994,961</u>
Total assets less current liabilities			<u>4,962,854</u>		<u>4,864,570</u>
Creditors: amounts falling due after more than one year	10		(250,653)		(74,894)
Provisions for liabilities			<u>(75,408)</u>		<u>(52,198)</u>
Net assets			<u><u>4,636,793</u></u>		<u><u>4,737,478</u></u>
Capital and reserves					
Called up share capital	11		2		2
Revaluation reserve			75,331		-
Profit and loss reserves			<u>4,561,460</u>		<u>4,737,476</u>
Total equity			<u><u>4,636,793</u></u>		<u><u>4,737,478</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 27 September 2023 and are signed on its behalf by:

Mrs R Datoo
Director

Mrs N McDonald
Director

Company Registration No. 05697610

DRS CARE HOMES LIMITED

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

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2021	2	-	4,945,680	4,945,682
Year ended 31 December 2021:				
Loss and total comprehensive expense for the year	-	-	(208,204)	(208,204)
Balance at 31 December 2021	2	-	4,737,476	4,737,478
Year ended 31 December 2022:				
Loss and total comprehensive expense for the year	-	-	(176,016)	(176,016)
Other comprehensive income:				
Revaluation of tangible fixed assets net of deferred tax	-	75,331	-	75,331
Total comprehensive income / (loss) for the year	-	75,331	(176,016)	(100,685)
Balance at 31 December 2022	2	75,331	4,561,460	4,636,793

DRS CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

DRS Care Homes Limited is a private company limited by shares incorporated in England and Wales. The registered office is 45 Pembury Road, Tottenham, London, N17 6SS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources and support to continue in operational existence for the foreseeable future. The parent company, DRS Care Holdings Limited, has confirmed its intention to provide sufficient financial support to the company in order to meet its liabilities for at least 12 months from the date of signing these financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration receivable for services provided in the normal course of business.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	50 years straight line
Plant and equipment	25% reducing balance
Fixtures and fittings	25% reducing balance
Computer equipment	25% per annum on cost
Motor vehicles	25% reducing balance

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

DRS CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

DRS CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow related companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

DRS CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.12 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 fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful economic life of tangible assets

The useful economic lives of non-current assets have been derived from the judgement of the directors, using their best estimate of the write-down period. Land, which is generally estimated to be 35% of the property's value, is not depreciated.

Fair value of freehold property

The fair value of the freehold property has been arrived at on the basis of valuations carried out by Arnold & Hobbs Ltd, a firm of Chartered Surveyors who are not connected with the company, as at 24 November 2022. The valuations were made on an open market value basis (which is considered to be a true reflection of the fair value) by reference to comparable recent market rates transactions and capital cost transactions completed at arm's length basis for similar properties. The directors do not believe that there has been a material change in the fair value of the properties between the valuation date and the year end.

DRS CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	44	48

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2022 and 31 December 2022	250,000
Amortisation and impairment	
At 1 January 2022 and 31 December 2022	250,000
Carrying amount	
At 31 December 2022	-
At 31 December 2021	-

DRS CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Tangible fixed assets

	Freehold buildings £	Plant and equipment £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 January 2022	1,594,884	810,950	88,243	22,067	165,241	2,681,385
Additions	-	618	7,000	4,471	36,779	48,868
Disposals	-	-	-	-	(33,289)	(33,289)
Revaluation	63,116	-	-	-	-	63,116
	<u>1,658,000</u>	<u>811,568</u>	<u>95,243</u>	<u>26,538</u>	<u>168,731</u>	<u>2,760,080</u>
At 31 December 2022						
Depreciation and impairment						
At 1 January 2022	-	714,969	30,327	8,230	58,251	811,777
Depreciation charged in the year	27,994	24,137	15,450	6,276	27,672	101,529
Eliminated in respect of disposals	-	-	-	-	(21,746)	(21,746)
Revaluation	(27,994)	-	-	-	-	(27,994)
	<u>-</u>	<u>739,106</u>	<u>45,777</u>	<u>14,506</u>	<u>64,177</u>	<u>863,566</u>
At 31 December 2022						
Carrying amount						
At 31 December 2022	<u>1,658,000</u>	<u>72,462</u>	<u>49,466</u>	<u>12,032</u>	<u>104,554</u>	<u>1,896,514</u>
At 31 December 2021	<u>1,594,884</u>	<u>95,981</u>	<u>57,916</u>	<u>13,837</u>	<u>106,990</u>	<u>1,869,608</u>

The fair value of the freehold property has been arrived at on the basis of valuations carried out by Arnold & Hobbs Ltd, a firm of Chartered Surveyors who are not connected with the company, as at 24 November 2022. The valuations were made on an open market value basis (which is considered to be a true reflection of the fair value) by reference to comparable recent market rates transactions and capital cost transactions completed at arm's length basis for similar properties. The directors do not believe that there has been a material change in the fair value of the properties between the valuation date and the year end.

If revalued assets were stated on a historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Freehold land and buildings	
	2022 £	2021 £
Cost	1,594,884	1,594,884
Accumulated depreciation	(27,994)	-
Carrying value	<u>1,566,890</u>	<u>1,594,884</u>

DRS CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Fixed asset investments

	2022 £	2021 £
Shares in group undertakings and participating interests	1	1

7 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
Fusion Flavour Ltd	1	Dormant	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

1 45 Pembury Road, Tottenham, London, N17 6SS

8 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	43,453	82,225
Amounts owed by group undertakings	5,142,494	5,444,323
Other debtors	98,330	48,310
	<u>5,284,277</u>	<u>5,574,858</u>

9 Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans	27,687	-
Trade creditors	52,433	10,743
Amounts owed to group undertakings and undertakings in which the company has a participating interest	2,008,110	2,334,403
Corporation tax	13,467	59,239
Other taxation and social security	157,646	46,112
Other creditors	177,102	143,023
	<u>2,436,445</u>	<u>2,593,520</u>

DRS CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans	178,828	-
Other creditors	71,825	74,894
	<u>250,653</u>	<u>74,894</u>

11 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

12 Related party transactions

In accordance with Section 33.1A of FRS 102, related party transactions and outstanding balances have not been disclosed with DRS Care Holdings Limited (the parent company) and its wholly owned subsidiaries.

13 Financial commitments, guarantees and contingent liabilities

Triodos Bank UK Limited has a fixed and floating charge over the assets of the company, covering group borrowings. At the balance sheet date this totalled £8,448,596 (2021: £8,118,692).

14 Parent company

The company is a wholly owned subsidiary of DRS Care Holdings Limited, with registered office address 45 Pembury Road, Tottenham, N17 6SS.

The largest and smallest group for which consolidated accounts, which include the results of the company, are prepared is that headed by DRS Care Holdings Limited. The consolidated financial statements are available from its registered office, 45 Pembury Road, Tottenham, N17 6SS.

15 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Senior Statutory Auditor:
Statutory Auditor:

Nikolaos Ioannidis
Shaw Gibbs (Audit) Limited

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.