

**PREPARED FOR THE REGISTRAR
CENTRAL ENGLAND HEALTHCARE (COVENTRY) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Central England Healthcare (Coventry) Limited

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Central England Healthcare (Coventry) Limited

Company Information

Director	K K Kandola
Company secretary	Dr S S Kandola S S Kandola
Registered office	8 Clarendon Place Leamington Spa Warwickshire CV32 5QN
Bankers	Barclays Bank PLC 1 Churchill Place Canary Wharf London E14 5HP
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

Central England Healthcare (Coventry) Limited**(Registration number: 06063356)****Balance Sheet as at 28 February 2023**

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	<u>4</u>	25,000	30,000
Tangible assets	<u>5</u>	1,413,436	1,224,143
		<u>1,438,436</u>	<u>1,254,143</u>
Current assets			
Debtors: Amounts falling due within one year	<u>6</u>	530,444	415,513
Debtors: Amounts falling due after more than one year	<u>6</u>	3,451,101	3,075,141
Cash at bank and in hand		<u>670,851</u>	<u>201,047</u>
		4,652,396	3,691,701
Creditors: Amounts falling due within one year	<u>7</u>	<u>(1,135,357)</u>	<u>(749,470)</u>
Net current assets		<u>3,517,039</u>	<u>2,942,231</u>
Total assets less current liabilities		4,955,475	4,196,374
Creditors: Amounts falling due after more than one year	<u>7</u>	<u>(2,913,668)</u>	<u>(3,111,460)</u>
Deferred tax liabilities		<u>(26,819)</u>	<u>(25,476)</u>
Net assets		<u>2,014,988</u>	<u>1,059,438</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>2,014,888</u>	<u>1,059,338</u>
Total equity		<u>2,014,988</u>	<u>1,059,438</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 18 October 2023

K K Kandola
Director

The notes on pages 3 to 9 form an integral part of these financial statements.

Central England Healthcare (Coventry) Limited

Notes to the Financial Statements for the Year Ended 28 February 2023

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

8 Clarendon Place

Leamington Spa

Warwickshire

CV32 5QN

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Name of parent of group

These financial statements are consolidated in the financial statements of Central England Healthcare (Holdings) Limited.

The financial statements of Central England Healthcare (Holdings) Limited may be obtained from Companies House.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Judgements and estimation uncertainty

These financial statements do not contain any significant judgements or estimation uncertainty.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

Central England Healthcare (Coventry) Limited

Notes to the Financial Statements for the Year Ended 28 February 2023

Tax

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

The current 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 taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold property	1% of cost
Fixtures, fittings and equipment	15% reducing balance
Freehold land	Nil

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Straight line over 20 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Central England Healthcare (Coventry) Limited

Notes to the Financial Statements for the Year Ended 28 February 2023

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Central England Healthcare (Coventry) Limited

Notes to the Financial Statements for the Year Ended 28 February 2023

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was as follows:

	2023 No.	2022 No.
Average number of employees	78	78

Central England Healthcare (Coventry) Limited

Notes to the Financial Statements for the Year Ended 28 February 2023

4 Intangible assets

	Goodwill £
Cost	
At 1 March 2022 and at 28 February 2023	100,000
Amortisation	
At 1 March 2022	70,000
Amortisation charge	5,000
At 28 February 2023	75,000
Carrying amount	
At 28 February 2023	25,000
At 28 February 2022	30,000

5 Tangible assets

	Freehold land and buildings £	Furniture, fittings and equipment £	Total £
Cost			
At 1 March 2022	1,115,555	790,275	1,905,830
Additions	202,668	24,544	227,212
At 28 February 2023	1,318,223	814,819	2,133,042
Depreciation			
At 1 March 2022	31,783	649,904	681,687
Charge for the year	13,182	24,737	37,919
At 28 February 2023	44,965	674,641	719,606
Carrying amount			
At 28 February 2023	1,273,258	140,178	1,413,436
At 28 February 2022	1,083,772	140,371	1,224,143

Land of £200,000 (2022 - £200,000) is not depreciated.

Central England Healthcare (Coventry) Limited

Notes to the Financial Statements for the Year Ended 28 February 2023

6 Debtors

	2023 £	2022 £
Trade debtors	511,326	387,883
Other debtors	-	7,811
Prepayments	19,118	19,819
Amounts owed by group undertakings	3,451,101	3,075,141
	3,981,545	3,490,654
Less non-current portion	(3,451,101)	(3,075,141)
Total current trade and other debtors	530,444	415,513

Details of non-current trade and other debtors

£3,451,101 (2022 - £3,075,141) of amounts owed by group undertakings is classified as non-current.

7 Creditors

	Note	2023 £	2022 £
Due within one year			
Loans and borrowings	8	416,979	256,781
Trade creditors		(16,815)	26,517
Social security and other taxes		23,328	34,396
Outstanding defined contribution pension costs		4,821	6,572
Other creditors		46,016	45,313
Accrued expenses		427,513	244,685
Corporation tax liability		233,515	135,206
		1,135,357	749,470
Due after one year			
Loans and borrowings	8	2,837,783	3,042,801
Amounts owed to related parties		29,448	22,222
Amounts owed to group undertakings		46,437	46,437
		2,913,668	3,111,460

Central England Healthcare (Coventry) Limited

Notes to the Financial Statements for the Year Ended 28 February 2023

8 Loans and borrowings

	2023 £	2022 £
Current loans and borrowings		
Bank borrowings	319,766	198,341
HP and finance lease liabilities	97,213	58,440
	<u>416,979</u>	<u>256,781</u>
	2023 £	2022 £
Non-current loans and borrowings		
Bank borrowings	2,738,315	2,919,796
HP and finance lease liabilities	99,468	123,005
	<u>2,837,783</u>	<u>3,042,801</u>

Finance lease liabilities are secured on the assets to which they relate.

The loan incurs an interest rate of 2.35% above SONIA and is secured against all the assets of the company and by way of an intercompany guarantee. The loan is repayable in quarterly instalments up to 24 April 2025, when the loan falls due for repayment in full.

9 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of guarantees not included in the balance sheet is £10,347,070 (2022 - £10,982,438). The company is bound by an intra-group cross guarantee in respect of bank debt with other members of the group headed by its ultimate parent company Central England Healthcare (Holdings) Limited and including Central England Healthcare (Great Wyrley) Limited.

10 Related party transactions

At the balance sheet date, the company owed £29,448 (2022 - £22,222) to Central England Healthcare (Great Wyrley) Limited, a company controlled by K Kandola. These amounts are classified as non-current on the basis that the companies have confirmed unconditionally that the loans are repayable after more than one year.

11 Parent and ultimate parent undertaking

The company's immediate parent is Central England Healthcare Limited, incorporated in England and Wales. The ultimate parent is Central England Healthcare (Holdings) Limited, incorporated in England and Wales. The ultimate controlling party is K Kandola.

12 Disclosure under Section 444(5B) CA 2006 relating to the independent auditor's report

As permitted by Section 444 CA 2006, these accounts do not contain a copy of the company's Profit and Loss account or a copy of the Directors' Report. Accordingly, the Independent Auditors' Report has also been omitted. The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 19 October 2023 was Joanne Hartness, who signed for and on behalf of Hazlewoods LLP.

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.