COMPANY REGISTRATION NUMBER: 06514209

Warwick Care Limited

Consolidated Financial Statements

31 July 2024

To Accompany St Denis Lodge Residential Home Limited (04538712)

Relevant note for subsidiary exemption is Note 3, Page 17

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COMPANIES HOUSE

MCABA Limited t/a Mitchells

Chartered Accountants & Statutory Auditor

91-97 Saltergate

Chesterfield

Derbyshire

S40 1LA

Warwick Care Limited

Consolidated Financial Statements

Year Ended 31 July 2024

Contents

Warwick Care Limited

Officers and Professional Advisers

The board of directors	R Pettifer H T Pettifer
Company secretary	H T Pettifer
Registered office	The View 3 Shore Road Sandbanks Poole Dorset England BH13 7PH
Auditor	MCABA Limited t/a Mitchells Chartered Accountants & Statutory Auditor 91-97 Saltergate Chesterfield Derbyshire S40 1LA
Bankers	National Westminster The Drapery Branch 41 The Drapery Northampton NN1 2EY
Solicitors	Dawson Radford Solicitors 26 Napier Court Gander Lane Barlborough Chesterfield United Kingdom S43 4PZ

Warwick Care Limited

Strategic Report

Year Ended 31 July 2024

The directors present their strategic report on the group for the year ended 31 July 2024

Fair review of the business

The principal activity of the group during the year was the operation of care homes for the elderly

The parent company owns two trading subsidiaries, Crosscrown Limited and St Denis Lodge Residential Home Limited Additionally there is a service company within the group, Crosscrown Care Services Limited

The financial statements incorporate the results of Crosscrown Limited, St Denis Lodge Residential Home Limited and Crosscrown Care Services Limited and are accounted for using the acquisition method of consolidation

The business model

The business model has proved successful and the trading entities continue to nurture a strong reputation as high quality care providers Most of the latest CQC inspections of the care homes have produced very positive results, thus bolstering the reputation of the group The directors have a policy of constantly reinvesting profits into maintaining the care homes and ensuring there is sufficient staff resources to meet the requirements of their service users

Results and performance

The results of the group for the year show a loss on ordinary activities before taxation of £683,356 (2023 £469,358) The shareholders funds for the group total £733,354 (2023 £1,718,741) The group continues to enjoy a positive relationship with the bank despite these losses and the directors continue to have regular dialogue whilst providing forecasts to demonstrate the turnaround plans that have been put in place

Key performance indicators

The directors monitor the progress of the group by reference to key performance indicators The key performance indicators for the group are those that communicate the financial performance and strength of the group as a whole, being turnover and gross profit margin Factors such as the rise in minimum wage, pension auto enrolment contributions, the nationwide shortage of nurses and pressures facing local authorities in resident's fees all impact the performance of the group and are constantly monitored by the directors

The group has turnover for the year of £10,832,489 (2023 £10,945,704) whilst the gross profit margin for the group has decreased to 18 6% (2023 22 6%) with the gross profit being £2,015,887 (2023 £2,476,627) Additionally, the labour cost as a percentage of turnover has increased to 75 4% (2023 70 8%)

The directors have placed controls to manage the level of agency which impacts directly on the gross profit However, during the year, additional staff costs have been incurred through national minimum wage increases Additionally there have been some specific issues during the financial year, which resulted in a temporary partial closure of one of the homes and the resultant loss of income whilst staff were retained to reduce the time required to bring the home back to full occupancy This issue is now resolved and the home was building back to full occupancy at the year end

The group takes great pride in the high standard of care it provides As of the date of this report, six out of nine homes have been inspected by the Care Quality Commission and received a rating of 'Good ' The remaining three homes are currently rated as 'Requires Improvement ' The directors are actively working to achieve a 'Good' rating for these homes

Principal risks and uncertainties

The senior management team meet regularly to consider the risks that face the group and how established processes and controls are used to manage these risks Key risks and uncertainties are outlined below

Market risk
The market currently faces cost and quality standard pressures The group diligently monitors quality standards across its properties and promptly responds to any issues using detailed interim financial information Operating in a highly competitive market, the group and company experiences continuous margin pressure, exacerbated by rising UK inflation The sector relies heavily on food, energy, and labour, all of which have seen significant price growth, especially due to increases in the National Living Wage Recruitment and retaining skilled personnel remain ongoing challenges

Legislative and regulatory risk
The current principal risks and uncertainties to the ongoing performance of the group is the reputation with Care Quality Commission (CQC) and local authorities Currently, Warwick Care Limited through its subsidiaries have good relationships with these and hope to build upon this for the future The group and company operates in a highly regulated environment, subject to frequent, unannounced inspections at its care homes These inspections play a crucial role in assessing operational capability and compliance with regulatory standards Non-compliance can lead to temporary or, in the worst-case scenario, permanent closure To mitigate this risk, the group has invested in quality and compliance personnel who regularly visit the homes to ensure adherence to appropriate care standards

Reputational risk
The group subsidiaries Crosscrown Limited and St Denis Lodge Residential Home Limited provide care to elderly people Any serious breach in the standard of care provided could result in negative publicity and increased scrutiny from regulators, residents and families To mitigate this risk, the group devotes a considerable amount of time to delivering comprehensive and mandatory clinical training to employees All employees are checked prior to being offered employment

Financial risks
All of the properties have legal charges over them in relation to the loans taken out by the parent company Warwick Care Limited The current economic environment and the increases in the Bank of England base rate are a risk to the company and wider group The group prepares cash flow forecasts and applies sensitivities as applicable to ensure they are well placed to be able to meet capital and interest repayments as they fall due The group has made the decision to dispose of certain assets to reduce the bank debt and lessen the financial risk interest rates pose This process commenced during the financial year with the disposal of one home and has continued following the year end

Labour and recruitment
There is no specific impact of Brexit from a customer perspective However, as there is already a shortage of labour in the care industry, any barriers to employing EU Care staff are likely to make competition for employment more intense The group remains proactive in its ability to recruit and retain high quality staff Minimum wage increases and auto-enrolment contributions continue to impact the group moving forward

This report was approved by the board of directors on 10 September 2025 and signed on behalf of the board by

R Pettifer
Director

Warwick Care Limited

Directors' Report

Year Ended 31 July 2024

The directors present their report and the consolidated financial statements of the group for the year ended 31 July 2024

Directors

The directors who served the company during the year were as follows

R Pettifer
H T Pettifer

Dividends

Particulars of recommended dividends are detailed in note 13 to the consolidated financial statements

Future developments

The group intends to consolidate its position within the market in the coming period, maximising efficiencies within its existing care homes The directors have made the decision to reduce bank debt across the group by disposing of a select few assets due to the cash flow implications of the increase in interest rates from their historically low position The impact of the increase in interest rates in addition to increases in utility cost, wage inflation and shortage of care staff is causing pressure on operating cash flow The directors believe this strategy will strengthen the group as whole for the future

Employment of disabled persons

The group gives full and fair consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever possible

Employee involvement

The group considers it important that employees are well informed on all aspects of its affairs as far as the needs of commercial and financial confidentiality will permit There are regular staff meetings held at all homes to ensure staff are kept aware of any developments that may affect them All employees are aware of the desire to maintain good standards of care across the homes operated by the group and the detrimental affect a reduction in those standards can have on the short and long term performance of the group

Financial instruments

Financial risk management objectives and policies
Interest rate risk
The group is exposed to volatility in interest rate movements on it's debt The directors have made the decision to dispose of a select few assets and repay bank debt a process that was set in motion during the year This will reduce the interest burden and resultant interest rate risk into the future

Liquidity rate risk
The policy is to maintain a mix of short, medium and long term bank borrowings Short term flexibility is achieved through the use of overdraft facilities

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the consolidated financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare consolidated financial statements for each financial year Under that law the directors have elected to prepare the consolidated financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period

In preparing these consolidated financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the consolidated financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Auditor

Each of the persons who is a director at the date of approval of this report confirms that

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware, and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006

This report was approved by the board of directors on 10 September 2025 and signed on behalf of the board by

R Pettifer
Director

Warwick Care Limited

Independent Auditor's Report to the Members of Warwick Care Limited

Year Ended 31 July 2024

Opinion

We have audited the consolidated financial statements of Warwick Care Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2024 which comprise the consolidated statement of income and retained earnings, company statement of income and retained earnings, consolidated statement of financial position, company statement of financial position, consolidated statement of cash flows and the related notes, including a summary of 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 Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)

In our opinion the consolidated financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2024 and of the group's loss 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 consolidated financial statements section of our report We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 consolidated financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the consolidated 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 group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the consolidated 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

Other information

The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon The directors are responsible for the other information Our opinion on the consolidated 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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in 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 there is a material misstatement in the consolidated financial statements or a material misstatement of the other information 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 consolidated financial statements are prepared is consistent with the consolidated 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 group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or

- the parent company consolidated 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error

In preparing the consolidated financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated 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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https www frc org uk/auditorsresponsibilities This description forms part of our auditor's report

Auditor's responsibilities for detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK)

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and the sector in which they operate We determined that the following laws and regulations were most significant, the Companies Act 2006, UK corporate taxation laws, the Health and Social Care Act 2012 and the Care Quality Commission (Registration) Regulations 2009

- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries to relevant members of the management team We corroborated our inquiries though our review of board minutes (where applicable) and inquiry into legal fees incurred in the year

- *We assessed the susceptibility of the company's financial statements to material misstatement,* including how fraud might occur Audit procedures performed by the engagement team included

- Identifying the controls management has in place to prevent and detect fraud and assessing the operation of these controls

- Understanding how those charged with governance considered and addressed the potential for *override of controls or other inappropriate influence over the financial reporting process*

- Identifying and testing journal entries, in particular any journal entries that were large or unusual in nature

- *Assessing the extent of compliance with the relevant laws and regulations governing the company* and the sector it operates within This included a review of any potential breaches during and since the year end, and

- Challenging assumptions and judgements made by management in its significant accounting estimates

*There are inherent limitations in the audit procedures described above and the further removed non-*compliance with laws and regulations is from the events and transactions reflected in the financial statements the less likely we would become aware of it The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error as fraud may involve deliberate concealment by, for example, forgery, intentional misrepresentations or collusion

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

Mitchells

David Waining FCA (Senior Statutory Auditor)

For and on behalf of
MCABA Limited t/a Mitchells
Chartered Accountants & Statutory Auditor
91-97 Saltergate
Chesterfield
Derbyshire
S40 1LA

10 September 2025

Warwick Care Limited

Consolidated Statement of Income and Retained Earnings

Year Ended 31 July 2024

	Note	2024 £	2023 £
Turnover	4	10,832,489	10,945,704
Cost of sales		8,816,602	8,469,077
Gross Profit		2,015,887	2,476,627
Administrative expenses		1,891,214	2,294,409
Other operating income	5	63,082	(450)
Operating Profit	6	187,755	181,768
Other interest receivable and similar income	10	–	55
Interest payable and similar expenses	11	871,111	651,181
Loss Before Taxation		(683,356)	(469,358)
Tax on loss	12	27,031	10,779
Loss for the Financial Year and Total Comprehensive Income		(710,387)	(480,137)
Dividends paid and payable	13	(275,000)	(350,000)
Retained Earnings at the Start of the Year		1,718,739	2,548,876
Retained Earnings at the End of the Year		733,352	1,718,739

All the activities of the group are from continuing operations

Warwick Care Limited

Company Statement of Income and Retained Earnings

Year Ended 31 July 2024

	Note	2024 £	2023 £
Profit for the financial year and total comprehensive income		**365,361**	315,281
Dividends paid and payable	13	**(275,000)**	(350,000)
Retained Earnings at the Start of the Year		**132,304**	167,023
Retained Earnings at the End of the Year		**222,665**	132,304

The notes on pages 16 to 30 form part of these consolidated financial statements

Warwick Care Limited

Consolidated Statement of Financial Position

31 July 2024

	Note	2024 £	2023 £
Fixed Assets			
Intangible assets	14	**813,176**	991,632
Tangible assets	15	**10,130,446**	11,358,193
		10,943,622	12,349,825
Current Assets			
Stocks	17	**16,000**	20,000
Debtors	18	**2,211,438**	2,752,096
Cash at bank and in hand		**109,553**	59,301
		2,336,991	2,831,397
Creditors: amounts falling due within one year	20	**1,815,278**	3,531,508
Net Current Assets/(Liabilities)		**521,713**	(700,111)
Total Assets Less Current Liabilities		**11,465,335**	11,649,714
Creditors: amounts falling due after more than one year	21	**10,065,037**	9,291,060
Provisions			
Taxation including deferred tax	22	**666,944**	639,913
Net Assets		**733,354**	1,718,741
Capital and Reserves			
Called up share capital	26	**2**	2
Profit and loss account	27	**733,352**	1,718,739
Shareholders Funds		**733,354**	1,718,741

These consolidated financial statements have been prepared in accordance with the provisions applicable to companies subject to the medium companies regime

These consolidated financial statements were approved by the board of directors and authorised for issue on 10 September 2025, and are signed on behalf of the board by

R Pettifer
Director

Company registration number 06514209

The notes on pages 16 to 30 form part of these consolidated financial statements.

Warwick Care Limited

Company Statement of Financial Position

31 July 2024

	Note	2024 £	2023 £
Fixed Assets			
Tangible assets	15	9,100,097	10,402,472
Investments	16	3,016,249	3,016,249
		12,116,346	13,418,721
Current Assets			
Debtors	18	11,100	–
Cash at bank and in hand		–	57
		11,100	57
Creditors: amounts falling due within one year	20	1,378,726	3,507,067
Net Current Liabilities		1,367,626	3,507,010
Total Assets Less Current Liabilities		10,748,720	9,911,711
Creditors. amounts falling due after more than one year	21	10,065,037	9,291,060
Provisions			
Taxation including deferred tax	22	461,016	488,345
Net Assets		222,667	132,306
Capital and Reserves			
Called up share capital	26	2	2
Profit and loss account	27	222,665	132,304
Shareholders Funds		222,667	132,306

The profit for the financial year of the parent company was £365,361 (2023 £315,281)

These consolidated financial statements have been prepared in accordance with the provisions applicable to companies subject to the medium companies regime

These consolidated financial statements were approved by the board of directors and authorised for issue on 10 September 2025, and are signed on behalf of the board by

R Pettifer
Director

Company registration number 06514209

Warwick Care Limited

Consolidated Statement of Cash Flows

Year Ended 31 July 2024

	Note	2024 £	2023 £
Cash Flows from Operating Activities			
Loss for the financial year		**(710,387)**	(480,137)
Adjustments for			
Depreciation of tangible assets		**311,966**	339,252
Impairment of tangible assets		–	45,839
Amortisation of intangible assets		**174,756**	240,756
Impairment of intangible assets		–	62,300
Government grant income		**(5,050)**	450
Other interest receivable and similar income		–	(55)
Interest payable and similar expenses		**871,111**	651,181
Loss on disposal of tangible assets		**295,887**	–
Gains on disposal of intangible assets		**(435,989)**	–
Tax on profit		**27,031**	10,779
Changes in			
Stocks		**4,000**	–
Trade and other debtors		**540,658**	(1,090,596)
Trade and other creditors		**(272,755)**	1,699,303
Cash generated from operations		**801,228**	1,479,072
Interest paid		**(871,111)**	(651,180)
Interest received		–	55
Tax paid		**(66,042)**	(95,823)
Net cash (used in)/from operating activities		**(135,925)**	732,124
Cash Flows from Investing Activities			
Purchase of tangible assets		**(148,413)**	(45,583)
Proceeds from sale of tangible assets		**768,307**	–
Proceeds from sale of intangible assets		**439,689**	–
Net cash from/(used in) investing activities		**1,059,583**	(45,583)
Cash Flows from Financing Activities			
Repayments of borrowings		**(612,801)**	(652,308)
Government grant income		**5,050**	(450)
Dividends paid		**(275,000)**	(350,000)
Increase/(decrease) in director's loan account		**(23,060)**	(174,462)
Net cash used in financing activities		**(905,811)**	(1,177,220)
Net Increase/(Decrease) in Cash and Cash Equivalents		**17,847**	(490,679)
Cash and Cash Equivalents at Beginning of Year		**(141,731)**	348,948
Cash and Cash Equivalents at End of Year	19	**(123,884)**	(141,731)

The notes on pages 16 to 30 form part of these consolidated financial statements

1. General information

The company is a private company limited by shares, registered in England and Wales The address of the registered office is The View, 3 Shore Road, Sandbanks, Poole, Dorset, BH13 7PH, England.

2. Statement of compliance

These consolidated financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the impairment of certain fixed assets as specified in the accounting policies below

The financial statements are prepared in sterling, which is the functional currency of the entity

Going concern

During the financial year the group has been in breach of financial covenants with the bank The main reasons being cost pressures affecting the industry as a whole, principally the increase in interest rates, the shortage of care staff across the industry, wage inflation and increases in utility costs The directors have presented a strategy to the bank involving the sale of certain assets to reduce the bank debt and lower interest rate costs The group have prepared robust integrated forecasts to to model the impact of these changes which strengthens the group as a whole and, following the year end, the group strategy adopted has led to improvement in financial performance and position

There is an ongoing dialogue with the bank with regards progress and plans for the company and these remain positive

Having considered the above factors the directors believe that there is sufficient available reserves to meet the ongoing business costs for the foreseeable future and have continued to prepare the financial statements on a going concern basis

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102 As such, advantage has been taken of the following reduced disclosures available under FRS 102

(a) No cash flow statement has been presented for the company

3. Accounting policies *(continued)*

Consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings These are adjusted, where appropriate, to conform to group accounting policies Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over ten years from the year of acquisition

As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006

Subsidiary exemption

A guarantee has been given by the parent (Warwick Care Limited) under section 479A of the Companies Act 2006 to the subsidiaries St Denis Lodge Residential Home Limited and Crosscrown Care Services Limited which guarantees all outstanding liabilities to which the subsidiary companies are subject at the end of the financial year 31 July 2024

Judgements and key sources of estimation uncertainty

In the process of applying the company's accounting policies, the directors are required to make certain estimates, judgments, and assumptions based on available information These estimates and assumptions impact the reported amounts of assets and liabilities as of the financial statement date, as well as the reported revenue and expenses during the relevant periods

These assessments are continually evaluated, drawing from historical experience and other relevant factors, including expectations related to ongoing global issues Actual results may deviate from the estimates, and any necessary adjustments are recognised in the period when the underlying facts become known

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows

Useful life and residual values

Intangible assets
The charge in respect of amortisation in derived after determining an estimate of the useful life of goodwill arising on business combinations This estimate is based on a variety of factors such as expected use of the acquired business, the expected useful life of the cash generating unit to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit the useful life and assumptions that market participants would consider in respect of similar businesses

Tangible assets
The charge in respect of depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life The useful lives and residual values of the groups assets may vary depending on several factors such as, technological innovation, maintenance programmes and future market conditions They are determined by management at the time the asset is acquired and reviewed annually for appropriateness

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty *(continued)*

Impairment of fixed assets

The group and company reviews all categories of fixed assets annually for indicators of impairment and performs an impairment review considering any such indicators identified Judgements are required to make an assessment as to whether there is an indication of impairment At the year end the directors feel the carrying value of the fixed assets is not materially different to its fair value

Recoverability of trade debtors

The directors make provisions for doubtful debts based on an assessment of the recoverability of trade debtors. Provisions are applied to trade debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable This methodology is applied on a resident by resident basis

Recoverability of inter-company and related party balances

Determination of whether the group's inter-company and related party balances have been impaired requires estimation of the fellow group and related party entities net asset or liability position and their ability to generate future cash flows to settle the balances The directors have performed a review of each balance based on these indicators and assessed recoverability

Leases

Determining whether leases entered into by the group as a lessee are operating or finances leases requires judgement These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee based on the evaluation of the terms and conditions of the arrangements on a lease by lease basis

Provisions

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated

Whether a present obligation is probable or not requires judgement The nature and type of risks for these provisions differ and managements judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not

Revenue recognition

The turnover shown in the profit and loss account represents residents fees earned during the year

3. Accounting policies *(continued)*

Taxation

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax

Deferred tax is measured on a an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses It is amortised on a straight-line basis over its useful life Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date. They are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably

3. Accounting policies *(continued)*

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows

Goodwill	-	10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows

Freehold Property	-	2% straight line
Property Improvements	-	2% straight line
Fixtures, Fittings & Equipment	-	25% straight line
Motor Vehicles	-	25% reducing balance
Computer Equipment	-	33% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly Prior impairments are also reviewed for possible reversal at each reporting date

Stocks

Stocks are measured at the lower of cost and net realisable value

Government grants

Government grants are recognised at the fair value of the asset received or receivable Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received Government grants are recognised using the accrual model and the performance model

3. Accounting policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset

Financial instruments

Debtors and creditors with no stated interest rate and receivable within one year are recorded at transaction price Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund

Irrecoverable VAT

The companies within the group form a VAT group Irrecoverable VAT is calculated using the partial exemption method and is charged to the statement of comprehensive income

4. Turnover

Turnover arises from

	2024	2023
	£	£
Rendering of services – residents' fees	**10,832,489**	10,945,704

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom

5. Other operating income

	2024	2023
	£	£
Government grant income	**5,050**	(450)
Other operating income	**58,032**	–
	63,082	(450)

6. Operating (loss)/profit

Operating profit or loss is stated after charging/crediting

	2024	2023
	£	£
Amortisation of intangible assets	**174,756**	240,756
Depreciation of tangible assets	**311,966**	339,252
Impairment of intangible assets recognised in Administrative expenses	–	62,300
Impairment of tangible assets recognised in Administrative expenses	–	45,839
Loss on disposal of tangible assets	**295,887**	–
Gains on disposal of intangible assets	**(435,989)**	–
Impairment of trade debtors	**3,871**	9,744

7 Auditor's remuneration

	2024	2023
	£	£
Fees payable for the audit of the consolidated financial statements	**22,200**	20,000

Fees payable to the company's auditor and its associates for other services		
Taxation advisory services	**2,200**	2,200
Other non-audit services	**50,065**	44,493
	52,265	46,693

8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to

	2024	2023
	No.	No
Nursing and administrative staff	**321**	356

The aggregate payroll costs incurred during the year, relating to the above, were

	2024	2023
	£	£
Wages and salaries	**7,521,632**	7,160,280
Social security costs	**503,906**	448,016
Other pension costs	**143,874**	142,824
	8,169,412	7,751,120

9 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was

	2024	2023
	£	£
Remuneration	**158,804**	624

9. Directors' remuneration *(continued)*

The number of directors who accrued benefits under company pension plans was as follows

	2024	2023
	No.	No
Defined contribution plans	–	2

10. Other interest receivable and similar income

	2024	2023
	£	£
Interest on directors loan	–	55

11. Interest payable and similar expenses

	2024	2023
	£	£
Interest on banks loans and overdrafts	10,741	7,673
Other interest payable and similar charges	860,370	643,508
	871,111	651,181

12. Tax on profit

Major components of tax expense

	2024	2023
	£	£
Current tax:		
Adjustments in respect of prior periods	–	(7,773)
Deferred tax:		
Origination and reversal of timing differences	27,031	18,552
Tax on profit	27,031	10,779

Reconciliation of tax expense

The tax assessed on the loss on ordinary activities for the year is higher than (2023 higher than) the standard rate of corporation tax in the UK of 25% (2023 19%)

	2024	2023
	£	£
Loss on ordinary activities before taxation	(683,356)	(469,358)
Loss on ordinary activities by rate of tax	(170,839)	(89,178)
Effect of expenses not deductible for tax purposes	48,967	29,089
Effect of capital allowances and depreciation	116,295	60,386
Utilisation of tax losses	(21,882)	–
Unused tax losses	54,490	16,630
Adjustments in respect of prior periods	–	(6,148)
Tax on profit	27,031	10,779

13. Dividends

	2024 £	2023 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	**275,000**	350,000

14. Intangible assets

Group	Goodwill £
Cost	
At 1 August 2023	**6,147,814**
Disposals	**(148,000)**
At 31 July 2024	**5,999,814**
Amortisation	
At 1 August 2023	**5,156,182**
Charge for the year	**174,756**
Disposals	**(144,300)**
At 31 July 2024	**5,186,638**
Carrying amount	
At 31 July 2024	**813,176**
At 31 July 2023	991,632

The company has no intangible assets

15. Tangible assets

Group	Land and buildings £	Property improvements £	Fixtures and fittings £	Motor vehicles £	Equipment £	**Total** £
Cost						
At 1 Aug 2023	12,588,057	1,388,632	921,746	7,000	37,984	**14,943,419**
Additions	–	128,581	19,832	–	–	**148,413**
Disposals	(1,308,738)	(5,826)	(11,123)	–	–	**(1,325,687)**
At 31 Jul 2024	11,279,319	1,511,387	930,455	7,000	37,984	**13,766,145**
Depreciation						
At 1 Aug 2023	2,269,722	414,776	863,035	5,339	32,354	**3,585,226**
Charge for the year	241,484	31,743	32,694	415	5,630	**311,966**
Disposals	(255,203)	(29)	(6,261)	–	–	**(261,493)**
At 31 Jul 2024	2,256,003	446,490	889,468	5,754	37,984	**3,635,699**
Carrying amount						
At 31 Jul 2024	9,023,316	1,064,897	40,987	1,246	–	**10,130,446**
At 31 Jul 2023	10,318,335	973,856	58,711	1,661	5,630	11,358,193

15. Tangible assets *(continued)*

Company	**Land and buildings**
	£
Cost	
At 1 August 2023	12,769,035
Disposals	(1,308,739)
At 31 July 2024	11,460,296
Depreciation	
At 1 August 2023	2,366,563
Charge for the year	248,839
Disposals	(255,203)
At 31 July 2024	2,360,199
Carrying amount	
At 31 July 2024	9,100,097
At 31 July 2023	10,402,472

16. Investments

The group has no investments

Company	**Shares in group undertakings**
	£
Cost	
At 1 August 2023 and 31 July 2024	3,016,249
Impairment	
At 1 August 2023 and 31 July 2024	–
Carrying amount	
At 1 August 2023 and 31 July 2024	3,016,249
At 31 July 2023	3,016,249

16 Investments *(continued)*

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows

	Registered office	Class of share	Percentage of shares held
Subsidiary undertakings			
Senator Care Limited	The View 3 Shore Road, Sandbanks, Poole, Dorset, England, BH13 7PH	Ordinary shares	100
Crosscrown Limited	The View 3 Shore Road, Sandbanks, Poole, Dorset, England, BH13 7PH	Ordinary shares	100
The Chimneys (Warwickshire) Limited	The View 3 Shore Road, Sandbanks, Poole, Dorset, England, BH13 7PH	Ordinary shares	100
Crosscrown Care Services Limited	The View 3 Shore Road, Sandbanks, Poole, Dorset, England, BH13 7PH	Ordinary shares	100
St Denis Lodge Residential Home Limited	St Denis Lodge, Salisbury, Road, Shaftesbury, England, SP7 8BSSt Denis Lodge, Salisbury Road, Shaftesbury, England, SP7 8BS	Ordinary shares	100

Subsidiaries

The results of Crosscrown Limited, St Denis Lodge Residential Home Limited and Crosscrown Care Services Limited have been consolidated in the group financial statements

Senator Care Limited and The Chimneys (Warwickshire) Limited have not been consolidated on the basis that they are immaterial and dormant

17. Stocks

	Group		Company	
	2024	2023	**2024**	2023
	£	£	**£**	£
Raw materials and consumables	**16,000**	20,000	**–**	–

18. Debtors

	Group		Company	
	2024	*2023*	*2024*	*2023*
	£	£	£	£
Trade debtors	**711,136**	1,014,513	**–**	–
Prepayments and accrued income	**88,614**	97,437	**–**	–
Other debtors	**1,411,688**	1,640,146	**11,100**	–
	2,211,438	2,752,096	**11,100**	–

19. Cash and cash equivalents

Cash and cash equivalents comprise the following

	2024	2023
	£	£
Cash at bank and in hand	**109,553**	59,301
Bank overdrafts	**(233,437)**	(201,032)
	(123,884)	(141,731)

20. *Creditors: amounts falling due within one year*

	Group		*Company*	
	2024	2023	2024	2023
	£	£	£	£
Bank loans and overdrafts	**233,437**	1,587,810	**14,507**	1,386,778
Trade creditors	**613,450**	778,568	**66,063**	(9,096)
Amounts owed to group undertakings	**–**	–	**1,213,928**	2,052,295
Accruals and deferred income	**478,774**	780,078	**81,505**	70,471
Corporation tax	**106,064**	172,106	**–**	–
Social security and other taxes	**284,305**	109,931	**–**	871
Director loan accounts	**2,723**	25,783	**2,723**	5,748
Other creditors	**96,525**	77,232	**–**	–
	1,815,278	3,531,508	**1,378,726**	3,507,067

21. Creditors: amounts falling due after more than one year

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Bank loans and overdrafts	**10,065,037**	9,291,060	**10,065,037**	9,291,060

Included within creditors amounts falling due after more than one year is an amount of £839,813 (2023 £6,828,726) for the group and £839,813 (2023 £6,828,726) for the company in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date

There is a fixed and floating charge over all of the group's assets to NatWest Bank Plc

An unlimited inter-company guarantee is in place between Warwick Care Limited, Crosscrown Limited, St Denis Lodge Residential Home Limited and Senator Care Limited

22. Provisions

Group	**Deferred tax (note 23)**
	£
At 1 August 2023	639,913
Additions	27,031
At 31 July 2024	**666,944**

Company	**Deferred tax (note 23)**
	£
At 1 August 2023	488,345
Additions	(27,329)
At 31 July 2024	**461,016**

23. Deferred tax

The deferred tax included in the statement of financial position is as follows

	Group		**Company**	
	2024	2023	**2024**	2023
	£	£	**£**	£
Included in provisions (note 22)	**666,944**	639,913	**461,016**	488,345

The deferred tax account consists of the tax effect of timing differences in respect of

	Group		**Company**	
	2024	2023	**2024**	2023
	£	£	**£**	£
Accelerated capital allowances	**666,944**	639,913	**461,016**	488,345

24. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £143,874 (2023 £142,824)

25. Government grants

The amounts recognised in the consolidated financial statements for government grants are as follows

	Group		**Company**	
	2024	2023	**2024**	2023
	£	£	**£**	£
Recognised in other operating income				
Government grants recognised directly in income	**5,050**	(450)	**–**	–

26. Called up share capital

Issued, called up and fully paid

	2024 No.	2024 £	2023 No	2023 £
Ordinary shares of £1 each	2	2	2	2

27 Reserves

Called up share capital - this represents the nominal value of the shares that have been issued

Profit and loss account - This reserve records retained earnings and accumulated losses

28. Analysis of changes in net debt

	At 1 Aug 2023 £	Cash flows £	At 31 Jul 2024 £
Cash at bank and in hand	59,301	50,252	**109,553**
Bank overdrafts	(201,032)	(32,405)	**(233,437)**
Debt due within one year	(1,412,561)	1,409,838	**(2,723)**
Debt due after one year	(9,291,060)	(773,977)	**(10,065,037)**
	(10,845,352)	653,708	**(10,191,644)**

29. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows

	Group		Company	
	2024	2023	**2024**	2023
	£	£	**£**	£
Not later than 1 year	**19,181**	14,057	–	–
Later than 1 year and not later than 5 years	**28,402**	18,042	–	–
	47,583	32,099	–	–

30. Related party transactions

Group

During the year the group entered into transactions with entities under common control At the year end the balance owed by other related parties amounted to £1,352,216 (2023 £1,428,860)

The group has taken advantage of exemption conferred by FRS 102 S33 1A, removing the requirement to disclose transactions between group companies

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company The total compensation paid to key management personnel for services provided to the group was £247,912 (2023 £121,335)

30. Related party transactions *(continued)*

Company

During the year the company entered into transactions with entities under common control At the year end the balance due to other related parties amounted to £nil (2023 £10,564)

The company has taken advantage of exemption conferred by FRS 102 S33 1A, removing the requirement to disclose transactions between group companies

There are no further transactions that require disclosure