

Company Registration No. 07655132 (England and Wales)

CARE WORLDWIDE (SOUTHWELL) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019

CARE WORLDWIDE (SOUTHWELL) LIMITED

COMPANY INFORMATION

Director Mr A Goldstein

Company number 07655132

Registered office 1st Floor, Cloister House
Riverside
New Bailey Street
Manchester
M3 5FS

Auditor Lopian Gross Barnett & Co
1st Floor, Cloister House
Riverside
New Bailey Street
Manchester
M3 5FS

Business address Bondcare House
18 Lodge Road
LONDON
NW4 4EF

CARE WORLDWIDE (SOUTHWELL) LIMITED

CONTENTS

	Page
Strategic report	1
Director's report	2
Director's responsibilities statement	3
Independent auditor's report	4 - 6
Profit and loss account	7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 20

CARE WORLDWIDE (SOUTHWELL) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2019

The director presents the strategic report for the year ended 30 April 2019.

Fair review of the business

Care Worldwide (Southwell) Limited operates a Carehome by the name on Southwell Court providing residential personal and nursing care. The company has continued to maintain its excellent high standard provision of service maintaining the occupancy levels at the home resulting in a good financial performance during the year.

Principal risks and uncertainties

The director considers the company is not significantly exposed to price and credit risks since the majority of the Carehome revenue is derived from publicly funded authorities. The director considers that the high quality of care that is provided stands the Carehome in an excellent position and secures its ongoing trading position against any possible risks and uncertainties.

Development and performance

The position of the company at the year end remained strong and in line with expectations.

Key performance indicators

The company monitors cash flow as part of its day to day control procedures. Current cash position and future cash requirements are closely tracked to ensure appropriate facilities are available as and when required.

Other financial key performance indicators include turnover, gross profit margin, EBITDA and loan cover. EBITDA being the strongest indicator of cash generation from the business.

Other performance indicators

Other key performance indicators include home occupancy levels, charge rates, staffing hours and changes to rates of pay.

On behalf of the board

Mr A Goldstein

Director

23 January 2020

CARE WORLDWIDE (SOUTHWELL) LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 APRIL 2019

The director presents his annual report and financial statements for the year ended 30 April 2019.

Principal activities

The company provides residential accommodation and nursing home facilities for the elderly.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr A Goldstein

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £1,500,000 (2018: £50,000). The directors do not recommend payment of a final dividend.

Auditor

Lopian Gross Barnett & Cowere appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr A Goldstein

Director

23 January 2020

CARE WORLDWIDE (SOUTHWELL) LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2019

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

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

The director is 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 financial statements comply with the Companies Act 2006. He is 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.

CARE WORLDWIDE (SOUTHWELL) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CARE WORLDWIDE (SOUTHWELL) LIMITED

Opinion

We have audited the financial statements of Care Worldwide (Southwell) Limited (the 'company') for the year ended 30 April 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, 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 financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 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 our audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

CARE WORLDWIDE (SOUTHWELL) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CARE WORLDWIDE (SOUTHWELL) LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

CARE WORLDWIDE (SOUTHWELL) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CARE WORLDWIDE (SOUTHWELL) LIMITED

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 him 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.

Jonathan Brodie (Senior Statutory Auditor)
for and on behalf of Lopian Gross Barnett & Co

24 January 2020

Chartered Accountants
Statutory Auditor

1st Floor, Cloister House
Riverside
New Bailey Street
Manchester
M3 5FS

CARE WORLDWIDE (SOUTHWELL) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2019

	Notes	2019 £	2018 £
Turnover	3	2,493,539	2,445,717
Cost of sales		(1,370,160)	(1,363,590)
Gross profit		1,123,379	1,082,127
Administrative expenses		(507,274)	(865,767)
Operating profit	4	616,105	216,360
Interest receivable and similar income	6	29	106
Interest payable and similar expenses	7	(214,353)	(162,629)
Profit before taxation		401,781	53,837
Tax on profit	8	56,976	(3,037)
Profit for the financial year		458,757	50,800

The profit and loss account has been prepared on the basis that all operations are continuing operations.

CARE WORLDWIDE (SOUTHWELL) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2019

	2019	2018
	£	£
Profit for the year	458,757	50,800
Other comprehensive income	-	-
Total comprehensive income for the year	<u>458,757</u>	<u>50,800</u>

CARE WORLDWIDE (SOUTHWELL) LIMITED

BALANCE SHEET

AS AT 30 APRIL 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	10		6,782,251		6,936,871
Current assets					
Debtors	11	260,183		216,208	
Cash at bank and in hand		23,889		41,226	
		<u>284,072</u>		<u>257,434</u>	
Creditors: amounts falling due within one year	12	<u>(6,001,203)</u>		<u>(5,002,750)</u>	
Net current liabilities			<u>(5,717,131)</u>		<u>(4,745,316)</u>
Total assets less current liabilities			1,065,120		2,191,555
Provisions for liabilities	13		<u>(352,335)</u>		<u>(437,527)</u>
Net assets			<u>712,785</u>		<u>1,754,028</u>
Capital and reserves					
Called up share capital	16		1		1
Profit and loss reserves			<u>712,784</u>		<u>1,754,027</u>
Total equity			<u>712,785</u>		<u>1,754,028</u>

The financial statements were approved and signed by the director and authorised for issue on 23 January 2020

Mr A Goldstein
Director

Company Registration No. 07655132

CARE WORLDWIDE (SOUTHWELL) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2019

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 May 2017		1	1,753,227	1,753,228
Year ended 30 April 2018:				
Profit and total comprehensive income for the year		-	50,800	50,800
Dividends	9	-	(50,000)	(50,000)
Balance at 30 April 2018		1	1,754,027	1,754,028
Year ended 30 April 2019:				
Profit and total comprehensive income for the year		-	458,757	458,757
Dividends	9	-	(1,500,000)	(1,500,000)
Balance at 30 April 2019		1	712,784	712,785

CARE WORLDWIDE (SOUTHWELL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

Company information

Care Worldwide (Southwell) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1st Floor, Cloister House, Riverside, New Bailey Street, Manchester, M3 5FS.

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.

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 and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Care Worldwide Limited. These consolidated financial statements are available from its registered office, 1st Floor, Cloister House, Riverside, New Bailey Street, Manchester, M3 5FS.

1.2 Going concern

The company is supported by its immediate parent company and its ultimate parent company by way of loans. The director has received assurances that this support will continue and on that basis considers it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of this support.

1.3 Turnover

Turnover represents amounts receivable for goods and services.

CARE WORLDWIDE (SOUTHWELL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

Revenue represents income receivable from health and care provision services rendered and goods supplied. Revenue is stated net of value added taxation and other sales taxes, rebates and discount. Revenue is recognised in the accounting period in which the company obtains the right to consideration in exchange for its performance.

1.4 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:

Land and buildings Freehold	2% Straight line
Fixtures, fittings & equipment	25% Reducing balance
Motor vehicles	25% Reducing balance

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.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

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.

CARE WORLDWIDE (SOUTHWELL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

1.7 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

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.

CARE WORLDWIDE (SOUTHWELL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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 if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 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.

1.9 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.10 Taxation

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

CARE WORLDWIDE (SOUTHWELL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

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.

1.11 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.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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.

1.12 Retirement benefits

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

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

CARE WORLDWIDE (SOUTHWELL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019 £	2018 £
Turnover analysed by class of business		
Residential and nursing home provision	2,493,539	2,445,717
	<u> </u>	<u> </u>
	2019 £	2018 £
Other significant revenue		
Interest income	29	106
	<u> </u>	<u> </u>

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

4 Operating profit

Operating profit for the year is stated after charging:

	2019 £	2018 £
Fees payable to the company's auditor for the audit of the company's financial statements	3,000	3,000
Depreciation of owned tangible fixed assets	168,319	170,039
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons employed by the company during the year was:

	2019 Number	2018 Number
Carehome staff	88	87
Head office administration	1	1
	<u> </u>	<u> </u>
	89	88
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	1,105,509	1,115,106
Social security costs	67,284	70,594
Pension costs	12,186	5,465
	<u> </u>	<u> </u>
	1,184,979	1,191,165
	<u> </u>	<u> </u>

CARE WORLDWIDE (SOUTHWELL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

6 Interest receivable and similar income

	2019	2018
	£	£
Interest income		
Interest on bank deposits	29	106
	<u>29</u>	<u>106</u>

7 Interest payable and similar expenses

	2019	2018
	£	£
Interest payable to group undertakings	214,220	162,527
Other interest	133	102
	<u>214,353</u>	<u>162,629</u>

8 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	28,216	28,249
	<u>28,216</u>	<u>28,249</u>
Deferred tax		
Origination and reversal of timing differences	(85,192)	(25,212)
	<u>(85,192)</u>	<u>(25,212)</u>
Total tax (credit)/charge	<u>(56,976)</u>	<u>3,037</u>

The actual (credit)/charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019	2018
	£	£
Profit before taxation	<u>401,781</u>	<u>53,837</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	76,338	10,229
Group relief	(73,720)	(1,900)
Depreciation on assets not qualifying for tax allowances	25,598	19,920
Deferred tax movement	(85,192)	(25,212)
Taxation (credit)/charge for the year	<u>(56,976)</u>	<u>3,037</u>

CARE WORLDWIDE (SOUTHWELL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

9 Dividends

	2019 £	2018 £
Interim paid	1,500,000	50,000

10 Tangible fixed assets

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 May 2018	7,472,965	113,349	14,438	7,600,752
Additions	-	13,699	-	13,699
At 30 April 2019	7,472,965	127,048	14,438	7,614,451
Depreciation and impairment				
At 1 May 2018	597,836	56,176	9,869	663,881
Depreciation charged in the year	149,459	17,718	1,142	168,319
At 30 April 2019	747,295	73,894	11,011	832,200
Carrying amount				
At 30 April 2019	6,725,670	53,154	3,427	6,782,251
At 30 April 2018	6,875,129	57,173	4,569	6,936,871

11 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	137,781	88,613
Other debtors	120,838	113,193
Prepayments and accrued income	1,564	14,402
	260,183	216,208

CARE WORLDWIDE (SOUTHWELL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

12 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Other borrowings		5,752,003	4,754,229
Trade creditors		46,014	46,896
Corporation tax		28,216	28,249
Other taxation and social security		15,453	29,800
Other creditors		32,551	16,993
Accruals and deferred income		126,966	126,583
		<u>6,001,203</u>	<u>5,002,750</u>

13 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	14	<u>352,335</u>	<u>437,527</u>

14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
Revaluations	<u>352,335</u>	<u>437,527</u>
Movements in the year:		2019 £
Liability at 1 May 2018		437,527
Credit to profit or loss		(85,192)
Liability at 30 April 2019		<u>352,335</u>

15 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>12,186</u>	<u>5,465</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

CARE WORLDWIDE (SOUTHWELL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

16 Share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary Share of £1 each	1	1
	<u>1</u>	<u>1</u>

17 Financial commitments, guarantees and contingent liabilities

The company has given a cross guarantee secured on its assets in respect of a £21,000,000 bank loan to its parent company Care Worldwide 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.