

Company registration number 02783407 (England and Wales)

**ROTHERHAM HEALTHCARE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

# ROTHERHAM HEALTHCARE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mrs G J Oliver Mr T J Payne
<b>Secretary</b>	Mr T J Payne
<b>Company number</b>	02783407
<b>Registered office</b>	The Star Foundation Astrum House Nightingale Close Rotherham South Yorkshire S60 2AB
<b>Auditor</b>	GBAC Limited Old Linen Court 83-85 Shambles Street Barnsley South Yorkshire S70 2SB
<b>Bankers</b>	Santander Corporate Bank PLC 1st Floor Telegraph House High Street Sheffield S1 2AN

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# ROTHERHAM HEALTHCARE LIMITED

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# ROTHERHAM HEALTHCARE LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present the strategic report for the year ended 31 December 2021.

#### Fair review of the business

Turnover has decreased this year by 29.1% to £3,629,785. There was an overall loss for the year.

The COVID-19 global pandemic continued to have a negative effect on the results of the company for this financial year, with the number of new clients being restricted.

Following a Care Quality Commission (CQC) inspection the directors and management employed an experienced consultant to take action to ensure that all matters mentioned in the report were dealt with, some of which were related to restrictions in place relating to Covid.

#### Principal risks and uncertainties

##### Risk Management

The company's financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors and loan facilities to the company. The main purpose of these instruments is to raise funds and finance the company operations.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

#### Key performance indicators

The key financial highlights are as follows:-

##### 2021 2020 2019 2018

£ £ £ £

Turnover 3,629,785 5,130,192 5,182,866 4,682,516

Turnover growth (percent) (29.2) (2) 11 0.4

Gross profit margin (percent) 95.6 94.9 96.3 96.0

(Loss)/Profit before tax (139,369) 963,971 1,435,898 1,052,700

On behalf of the board

Mr T J Payne

Director

29 September 2022

# **ROTHERHAM HEALTHCARE LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2021***

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### **Principal activities**

The principal activity of the company is the provision of a specialist residential care facility.

#### **Results and dividends**

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

The loss for the year after taxation was £133,105.

#### **Directors**

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

Mrs G J Oliver

Mr T J Payne

#### **Auditor**

In accordance with the company's articles, a resolution proposing that GBAC Limited be reappointed as auditor of the company will be put at a General Meeting.

#### **Statement of disclosure to auditor**

To the knowledge and belief of the directors, there is no relevant information that the company's auditor is not aware of, and the directors have taken all the steps necessary to ensure the directors are aware of any relevant information, and to establish that the company's auditor is aware of the information.

On behalf of the board

Mr T J Payne

**Director**

29 September 2022

# **ROTHERHAM HEALTHCARE LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are 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 directors are 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 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 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.

# ROTHERHAM HEALTHCARE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBER OF ROTHERHAM HEALTHCARE LIMITED

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#### Opinion

We have audited the financial statements of Rotherham Healthcare Limited (the 'company') for the year ended 31 December 2021 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 31 December 2021 and of its loss 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 *Auditors' 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the 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 company's ability to continue as a going concern for a period of at least twelve months from when the 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 financial statements and our auditors' report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# **ROTHERHAM HEALTHCARE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBER OF ROTHERHAM HEALTHCARE LIMITED**

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#### **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 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, 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 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 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 financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are 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 directors either intend to liquidate the company or to cease operations, or have 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we determined the principle laws and regulations applicable to the company through discussions with management and directors, and from our knowledge of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operation of the company including, Companies Act 2006, local tax laws and regulations, Anti Money Laundering Legislation, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining and understanding of how fraud might occur, by;

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.



## **ROTHERHAM HEALTHCARE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBER OF ROTHERHAM HEALTHCARE LIMITED**

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To address the risks of fraud through management bias and override controls, we;

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditors' report.

#### **Use of our report**

This report is made solely to the company's member 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 member those matters we are required to state to the member in an auditors' 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 member, for our audit work, for this report, or for the opinions we have formed.

**Victoria Jane Harrison (Senior Statutory Auditor)**  
**For and on behalf of GBAC Limited**

29 September 2022

**Statutory Auditor**

Old Linen Court  
83-85 Shambles Street  
Barnsley  
South Yorkshire  
S70 2SB

# ROTHERHAM HEALTHCARE LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
<b>Revenue</b>	<b>3</b>	3,629,785	5,130,192
Cost of sales		(159,812)	(259,043)
<b>Gross profit</b>		<b>3,469,973</b>	<b>4,871,149</b>
Administrative expenses		(3,611,989)	(3,954,243)
Other operating income		71,864	128,269
<b>Operating (loss)/profit</b>	<b>4</b>	<b>(70,152)</b>	<b>1,045,175</b>
Investment income	<b>7</b>	-	42
Finance costs	<b>8</b>	(69,217)	(81,246)
<b>(Loss)/profit before taxation</b>		<b>(139,369)</b>	<b>963,971</b>
Tax on (loss)/profit	<b>9</b>	3,468	(216,526)
<b>(Loss)/profit for the financial year</b>		<b>(135,901)</b>	<b>747,445</b>

The income statement has been prepared on the basis that all operations are continuing operations.

# **ROTHERHAM HEALTHCARE LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
(Loss)/profit for the year	(135,901)	747,445
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>(135,901)</b>	<b>747,445</b>

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# ROTHERHAM HEALTHCARE LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Non-current assets</b>					
Property, plant and equipment	12		4,083,480		4,480,140
<b>Current assets</b>					
Trade and other receivables	13	1,029,189		1,130,494	
Cash and cash equivalents		735,129		1,115,638	
		<u>1,764,318</u>		<u>2,246,132</u>	
<b>Current liabilities</b>	14	(533,335)		(534,884)	
<b>Net current assets</b>			1,230,983		1,711,248
<b>Total assets less current liabilities</b>			5,314,463		6,191,388
<b>Non-current liabilities</b>	15		(3,221,089)		(3,436,746)
<b>Provisions for liabilities</b>					
Deferred tax liability	17	28,084		43,451	
		<u>(28,084)</u>		<u>(43,451)</u>	
<b>Net assets</b>			<u>2,065,290</u>		<u>2,711,191</u>
<b>Equity</b>					
Called up share capital	19		150,000		150,000
Retained earnings			1,915,290		2,561,191
<b>Total equity</b>			<u>2,065,290</u>		<u>2,711,191</u>

The financial statements were approved by the board of directors and authorised for issue on 29 September 2022 and are signed on its behalf by:

Mr T J Payne  
Director

Company Registration No. 02783407

# ROTHERHAM HEALTHCARE LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Retained earnings £	Total £
<b>Balance at 1 January 2020</b>		150,000	2,213,746	2,363,746
<b>Year ended 31 December 2020:</b>				
Profit and total comprehensive income for the year		-	747,445	747,445
Dividends	10	-	(400,000)	(400,000)
<b>Balance at 31 December 2020</b>		150,000	2,561,191	2,711,191
<b>Year ended 31 December 2021:</b>				
Loss and total comprehensive income for the year		-	(135,901)	(135,901)
Dividends	10	-	(510,000)	(510,000)
<b>Balance at 31 December 2021</b>		150,000	1,915,290	2,065,290

# ROTHERHAM HEALTHCARE LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	23	378,999		1,296,897	
Interest paid		(69,217)		(81,246)	
Income taxes paid		(182,664)		(283,979)	
<b>Net cash inflow from operating activities</b>		127,118		931,672	
<b>Investing activities</b>					
Purchase of property, plant and equipment		(5,955)		(249,785)	
Proceeds from disposal of property, plant and equipment		199,529		600	
Repayment of loans		19,200		(94,262)	
Interest received		-		42	
<b>Net cash generated from/(used in) investing activities</b>		212,774		(343,405)	
<b>Financing activities</b>					
Repayment of borrowings		-		(41,186)	
Repayment of bank loans		(210,401)		(205,015)	
Dividends paid		(510,000)		(400,000)	
<b>Net cash used in financing activities</b>		(720,401)		(646,201)	
<b>Net decrease in cash and cash equivalents</b>		(380,509)		(57,934)	
Cash and cash equivalents at beginning of year		1,115,638		1,173,572	
<b>Cash and cash equivalents at end of year</b>		735,129		1,115,638	

# ROTHERHAM HEALTHCARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

#### **Company information**

Rotherham Healthcare Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Star Foundation, Astrum House, Nightingale Close, Rotherham, South Yorkshire, S60 2AB.

#### **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. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Revenue**

Turnover represents amounts receivable in relation to the provision of residential care facilities.

Revenue is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

#### **1.4 Property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	2% straight line
Plant and equipment	20% reducing balance
Fixtures, fittings & equipment	20% reducing balance
Computer equipment	3 years straight line
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 non-current 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.

# ROTHERHAM HEALTHCARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

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.

#### 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 statement of financial position 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 trade and other receivables 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.



# ROTHERHAM HEALTHCARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### **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.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

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.

# ROTHERHAM HEALTHCARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 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 Taxation

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

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 income statement, 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.

#### 1.10 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 non-current 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.

#### 1.11 Retirement benefits

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

#### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

# ROTHERHAM HEALTHCARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.13 Government grants

Government grants, including those received in connection with the Coronavirus pandemic, are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### 1.15 Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A of FRS 102 from providing details of related party transactions with group companies that are incorporated within the financial statements of the group.

### 2 Judgements and key sources of estimation uncertainty

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

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

### 3 Revenue

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

	2021 £	2020 £
<b>Revenue analysed by class of business</b>		
Care fees	3,629,785	5,130,192
	<u>3,629,785</u>	<u>5,130,192</u>
	2021 £	2020 £
<b>Revenue analysed by geographical market</b>		
UK	3,629,785	5,130,192
	<u>3,629,785</u>	<u>5,130,192</u>

# ROTHERHAM HEALTHCARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Revenue (Continued)

	2021 £	2020 £
<b>Other revenue</b>		
Interest income	-	42
Grants received	71,864	120,834
	<u>71,864</u>	<u>120,834</u>

### 4 Operating (loss)/profit

	2021 £	2020 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Government grants	(71,864)	(120,834)
Fees payable to the company's auditor for the audit of the company's financial statements	13,000	13,000
Depreciation of owned property, plant and equipment	202,615	193,625
Impairment of owned property, plant and equipment	-	71,066
Loss/(profit) on disposal of property, plant and equipment	471	(202)
Operating lease charges	2,922	3,338
	<u>2,922</u>	<u>3,338</u>

### 5 Employees

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

	2021 Number	2020 Number
Office and management	8	8
Other	129	135
Total	<u>137</u>	<u>143</u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	2,554,407	2,847,683
Social security costs	190,444	218,973
Pension costs	58,641	71,885
	<u>2,803,492</u>	<u>3,138,541</u>

### 6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	<u>17,658</u>	<u>17,490</u>

## ROTHERHAM HEALTHCARE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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<b>7</b>	<b>Investment income</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Interest income</b>		
	Interest on bank deposits	-	42
		<u>          </u>	<u>          </u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	-	42
		<u>          </u>	<u>          </u>
<b>8</b>	<b>Finance costs</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Interest on financial liabilities measured at amortised cost:</b>		
	Interest on bank overdrafts and loans	69,217	81,246
		<u>          </u>	<u>          </u>

# ROTHERHAM HEALTHCARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 9 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	11,899	182,664
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(15,367)	33,862
	<u>          </u>	<u>          </u>
Total tax charge	<u>(3,468)</u>	<u>216,526</u>

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

	2021 £	2020 £
(Loss)/profit before taxation	(139,369)	963,971
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(26,480)	183,154
Tax effect of expenses that are not deductible in determining taxable profit	5,641	77
Permanent capital allowances in excess of depreciation	32,738	(567)
Deferred tax movements	(15,367)	33,862
	<u>          </u>	<u>          </u>
Tax expense for the year	<u>(3,468)</u>	<u>216,526</u>

### 10 Dividends

	2021 £	2020 £
Interim paid	510,000	400,000
	<u>          </u>	<u>          </u>

### 11 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2021 £	2020 £
In respect of:			
Property, plant and equipment	12	-	71,066
		<u>          </u>	<u>          </u>
Recognised in:			
Administrative expenses		-	71,066
		<u>          </u>	<u>          </u>

## **ROTHERHAM HEALTHCARE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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#### **11    Impairments**

**(Continued)**

The impairment losses occurred as a result of an expected sale price of the property in May 2021.

# ROTHERHAM HEALTHCARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12	Property, plant and equipment								
		Freehold buildings	Plant and equipment	Fixtures, fittings & equipment	Computer equipment	Motor vehicles		Total	
	£	£	£	£	£	£	£	£	
<b>Cost</b>									
At 1 January 2021	5,107,053	459,249	369,857	115,968	250,681	6,302,808			
Additions	-	-	794	5,161	-	5,955			
Disposals	(289,894)	-	-	-	-	(289,894)			
At 31 December 2021	4,817,159	459,249	370,651	121,129	250,681	6,018,869			
<b>Depreciation and impairment</b>									
At 1 January 2021	1,098,519	321,846	254,790	99,427	48,086	1,822,668			
Depreciation charged in the year	91,343	27,486	23,120	10,017	50,649	202,615			
Eliminated in respect of disposals	(89,894)	-	-	-	-	(89,894)			
At 31 December 2021	1,099,968	349,332	277,910	109,444	98,735	1,935,389			
<b>Carrying amount</b>									
At 31 December 2021	3,717,191	109,917	92,741	11,685	151,946	4,083,480			
At 31 December 2020	4,008,534	137,403	115,067	16,541	202,595	4,480,140			



# ROTHERHAM HEALTHCARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 13 Trade and other receivables

	2021	2020
	£	£
Amounts falling due within one year:		
Trade receivables	47,916	163,123
Other receivables	892,535	895,640
Prepayments and accrued income	88,738	71,731
	<u>1,029,189</u>	<u>1,130,494</u>

### 14 Current liabilities

	Notes	2021	2020
		£	£
Bank loans	16	215,656	210,400
Trade payables		25,824	39,571
Corporation tax		11,899	182,664
Other taxation and social security		43,302	51,446
Other payables		195,390	4,108
Accruals and deferred income		41,264	46,695
		<u>533,335</u>	<u>534,884</u>

### 15 Non-current liabilities

	Notes	2021	2020
		£	£
Bank loans and overdrafts	16	<u>3,221,089</u>	<u>3,436,746</u>

### 16 Borrowings

	2021	2020
	£	£
Bank loans	<u>3,436,745</u>	<u>3,647,146</u>
Payable within one year	215,656	210,400
Payable after one year	<u>3,221,089</u>	<u>3,436,746</u>

The long-term loans are secured by a debenture over the assets of the company and by a bank guarantee provided by the directors.

The bank loan is a 10 year loan but is based upon a 20 year repayment profile. Interest is charged at 1.9% plus SONIA per annum.

# ROTHERHAM HEALTHCARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 17 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 2021 £	Liabilities 2020 £
<b>Balances:</b>		
Advance capital allowances	28,084	43,451
<b>Movements in the year:</b>		2021 £
Liability at 1 January 2021		43,451
Credit to profit or loss		(15,367)
Liability at 31 December 2021		28,084

### 18 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	58,641	71,885

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.

### 19 Share capital

	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary A shares of £1 each	100,000	100,000	100,000	100,000
Ordinary B shares of £1 each	50,000	50,000	50,000	50,000
	150,000	150,000	150,000	150,000

### 20 Related party transactions

#### Balances with related parties

The following amounts were outstanding at the reporting end date:

# ROTHERHAM HEALTHCARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 20 Related party transactions

(Continued)

	Amounts owed by related parties		Amounts owed to related parties	
	2021 £	2020 £	2021 £	2020 £
Other related parties	5,348	3,198	-	-

### 21 Directors' transactions

Interest free loans have been granted by the company to its directors as follows:-

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Loan	-	52,823	224,775	(235,026)	42,572
Loan	-	78,281	227,460	(236,409)	69,332
		131,104	452,235	(471,435)	111,904

The overdrawn loan arose due to various withdrawals and payment into the company (including from dividends) which exceeded the credit balance at that time. No interest is charged or accrued on the loan.

### 22 Ultimate controlling party

The immediate and ultimate parent undertaking is Rotherham Healthcare Holdings Limited, which prepares group financial statements. The registered office is The Star Foundation, Astrum House, Nightingale Close, Rotherham, South Yorkshire, S60 2AB.

### 23 Cash generated from operations

	2021 £	2020 £
(Loss)/profit for the year after tax	(135,901)	747,445
<b>Adjustments for:</b>		
Taxation (credited)/charged	(3,468)	216,526
Finance costs	69,217	81,246
Investment income	-	(42)
Loss/(gain) on disposal of property, plant and equipment	471	(202)
Depreciation and impairment of property, plant and equipment	202,615	264,691
<b>Movements in working capital:</b>		
Decrease in trade and other receivables	82,105	20,739
Increase/(decrease) in trade and other payables	163,960	(33,506)
<b>Cash generated from operations</b>	<b>378,999</b>	<b>1,296,897</b>

## ROTHERHAM HEALTHCARE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2021*

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**24 Analysis of changes in net debt**

	1 January 2021	Cash flows	31 December 2021
	£	£	£
Cash at bank and in hand	1,115,638	(380,509)	735,129
Borrowings excluding overdrafts	(3,647,146)	210,401	(3,436,745)
	<u>(2,531,508)</u>	<u>(170,108)</u>	<u>(2,701,616)</u>

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.