

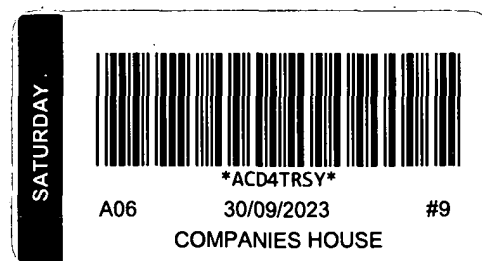
REGISTERED NUMBER: 04127951 (England and Wales)

Flollie Investments Limited

Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 December 2022

Maxwells
Chartered Accountants
and Statutory Auditor
4 King Square
Bridgwater
Somerset
TA6 3YF



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for the Year Ended 31 December 2022

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Flollie Investments Limited

Company Information

for the Year Ended 31 December 2022

DIRECTORS:

C C Larkin
T S Larkin

REGISTERED OFFICE:

16-20 Cecil Road
Weston Super Mare
North Somerset
BS23 2NT

REGISTERED NUMBER:

04127951 (England and Wales)

AUDITORS:

Maxwells
Chartered Accountants
and Statutory Auditor
4 King Square
Bridgwater
Somerset
TA6 3YF

BANKERS:

Barclays Bank Plc
South West and Wales Corp 1
1 Churchill Place
Canary Wharf
London
E14 5HP

Strategic Report
for the Year Ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

REVIEW OF BUSINESS

Our homes have developed a stable management group which has given equal stability in the staff group which is a key factor in delivering care. We maintain good relationships with local healthcare departments and this is reflected in the good occupancy levels across all homes. There are a number of other dementia homes, but we are confident that the substantial investment we have made in the development of the Fig Tree Group will ensure that we offer better physical and care environments than our competitors for some years to come.

Care services

Residential care with nursing is provided through our care homes in Weston-super-Mare, North Somerset. Our homes are regulated by the Care Quality Commission. Alice House, Fig House and Heathwood specialise in providing care to people who have dementia and other mental health needs.

Staffing

We are dependent on staff. We are regulated to ensure safe staff levels and although we have a loyal core, recruitment in this low paid sector is never easy. Our business is very much governed by the relationship between turnover and wage costs.

KEY PERFORMANCE INDICATORS

The key performance indicators for the company are turnover, profitability and wages to turnover ratio.

	2022	2021
Turnover	3,330,129	3,244,922
Profit before tax	598,649	1,015,805
Average number of employees	78	78

Turnover for the year increased by 2.6% (2021: 4.0%).

Occupancy capacity for 83 residents (2021: 83)

Occupancy at year end was 92% (2021: 94%)

Employee costs represent 50% of turnover (2021: 48%).

PRINCIPAL RISKS AND UNCERTAINTIES

CQC regulation

The company is regulated by the health, safety and other regulatory requirements as outlined by the Care Quality Commission. The company strives to mitigate these risks by providing excellent care to its residents and ensuring its care procedures are continually updated.

Credit risk

The company is not exposed to significant credit risk due to major contracts with local authorities. Private fees are managed through credit control procedures.

Interest rate risk

The company has financed the acquisition of care homes using medium to long term financing and monitors its interest rate risk regularly. The company has to meet certain bank covenants and although there has been a breach for the year ending 31 December 2022, there have been no indications from the bank that funding will be withdrawn. Cashflow remains strong and there have been no issues with making payments as they fall due.

Flollie Investments Limited (Registered number: 04127951)

Strategic Report
for the Year Ended 31 December 2022

FUTURE DEVELOPMENTS

The time is right to consider expansion. The business is ready for the next move, but finding the right home is not straightforward. It is important that any prospective home has all the ingredients to make another signature environment. We are actively looking for the next project.

ON BEHALF OF THE BOARD:



.....
C C Larkin - Director

Date: **28 September 2023**
.....

Flollie Investments Limited (Registered number: 04127951)

Report of the Directors
for the Year Ended 31 December 2022

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of care services.

DIVIDENDS

An interim dividend of £21,000 per share was paid on 28 September 2022. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2022 will be £420,000.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 January 2022 to the date of this report.

The beneficial interests of the directors holding office at 31 December 2022 in the shares of the company, according to the register of directors' interests, were as follows:

	31.12.22	1.1.22
Ordinary shares of £1 each		
C C Larkin	10	10
T S Larkin	10	10

These directors did not hold any non-beneficial interests in the shares of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Flollie Investments Limited (Registered number: 04127951)

Report of the Directors
for the Year Ended 31 December 2022

AUDITORS

The auditors, Maxwells, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
C C Larkin - Director

Date: 28 September 2023
.....

Report of the Independent Auditors to the Members of
Flollie Investments Limited

Opinion

We have audited the financial statements of Flollie Investments Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 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 2022 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 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.

Emphasis of matter

We draw your attention to note 3 of the financial statements which highlights the fact that the company breached the cashflow to debt service bank covenant in the year. As a result, bank loans have been reclassified from falling due after one year to falling due within one year.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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 the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Flollie Investments 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 or the Report of the Directors.

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 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 Statement of Directors' Responsibilities set out on page four, 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 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.

Auditors' 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 a Report of the Auditors 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 are detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that 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 or intentional misrepresentations, or through collusion.

We identified that the principal risks of non-compliance with laws and regulations related to health and safety, employment law and company legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements of the company. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting evidence and enquiries with management. 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. We did not identify any key audit matters relating to irregularities, including fraud. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

Report of the Independent Auditors to the Members of
Flollie Investments 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 them in a Report of the Auditors 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 Shorney BA FCA (Senior Statutory Auditor)
for and on behalf of Maxwells
Chartered Accountants
and Statutory Auditor
4 King Square
Bridgwater
Somerset
TA6 3YF

Date: 29/09/2023

Flollie Investments Limited (Registered number: 04127951)

Statement of Comprehensive Income
for the Year Ended 31 December 2022

	Notes	Year Ended 31.12.22 £	Period 31.12.20 to 31.12.21 £
TURNOVER		3,330,129	3,244,922
Cost of sales		<u>162,458</u>	<u>154,422</u>
GROSS PROFIT		3,167,671	3,090,500
Administrative expenses		<u>2,514,028</u>	<u>2,195,079</u>
		653,643	895,421
Other operating income	4	<u>63,918</u>	<u>244,531</u>
OPERATING PROFIT	6	717,561	1,139,952
Interest receivable and similar income		<u>1,378</u>	<u>25</u>
		718,939	1,139,977
Interest payable and similar expenses	7	<u>120,290</u>	<u>124,172</u>
PROFIT BEFORE TAXATION		598,649	1,015,805
Tax on profit	8	<u>157,987</u>	<u>201,738</u>
PROFIT FOR THE FINANCIAL YEAR		440,662	814,067
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>440,662</u>	<u>814,067</u>

The notes on pages 15 to 25 form part of these financial statements

Flollie Investments Limited (Registered number: 04127951)

Statement of Financial Position

31 December 2022

	Notes	31.12.22 £	31.12.21 £
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	5,052,853	5,196,972
Investments	12	100	100
		<u>5,052,953</u>	<u>5,197,072</u>
CURRENT ASSETS			
Stocks	13	4,537	3,839
Debtors	14	1,123,736	950,638
Cash at bank and in hand		530,082	434,154
		<u>1,658,355</u>	<u>1,388,631</u>
CREDITORS			
Amounts falling due within one year	15	4,637,887	839,734
NET CURRENT (LIABILITIES)/ASSETS		<u>(2,979,532)</u>	<u>548,897</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,073,421</u>	<u>5,745,969</u>
CREDITORS			
Amounts falling due after more than one year	16	(33,148)	(3,748,951)
PROVISIONS FOR LIABILITIES	20	<u>(101,548)</u>	<u>(78,955)</u>
NET ASSETS		<u><u>1,938,725</u></u>	<u><u>1,918,063</u></u>
CAPITAL AND RESERVES			
Called up share capital	21	20	20
Retained earnings	22	1,938,705	1,918,043
SHAREHOLDERS' FUNDS		<u><u>1,938,725</u></u>	<u><u>1,918,063</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on28 September 2023..... and were signed on its behalf by:



.....
C C Larkin - Director

The notes on pages 15 to 25 form part of these financial statements

Flollie Investments Limited (Registered number: 04127951)

Statement of Changes in Equity
for the Year Ended 31 December 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 31 December 2020	20	1,523,976	1,523,996
Changes in equity			
Dividends	-	(420,000)	(420,000)
Total comprehensive income	-	814,067	814,067
Balance at 31 December 2021	20	1,918,043	1,918,063
Changes in equity			
Dividends	-	(420,000)	(420,000)
Total comprehensive income	-	440,662	440,662
Balance at 31 December 2022	20	1,938,705	1,938,725

The notes on pages 15 to 25 form part of these financial statements

Floalie Investments Limited (Registered number: 04127951)

Statement of Cash Flows
for the Year Ended 31 December 2022

		Year Ended	Period
		31.12.22	31.12.20
		£	to
	Notes		31.12.21
			£
Cash flows from operating activities			
Cash generated from operations	1	731,359	1,404,381
Interest paid		(116,586)	(123,503)
Interest element of hire purchase payments paid		(3,704)	(669)
Tax paid		(193,646)	(172,750)
Net cash from operating activities		417,423	1,107,459
Cash flows from investing activities			
Purchase of tangible fixed assets		(97,868)	(218,748)
Sale of tangible fixed assets		86,500	9,850
Interest received		1,378	25
Net cash from investing activities		(9,990)	(208,873)
Cash flows from financing activities			
Capital repayments in year		206,442	(232,202)
Amount introduced by directors		420,000	514,894
Amount withdrawn by directors		(517,947)	(507,563)
Equity dividends paid		(420,000)	(420,000)
Net cash from financing activities		(311,505)	(644,871)
Increase in cash and cash equivalents		95,928	253,715
Cash and cash equivalents at beginning of year	2	434,154	180,439
Cash and cash equivalents at end of year	2	530,082	434,154

The notes on pages 15 to 25 form part of these financial statements

Notes to the Statement of Cash Flows
for the Year Ended 31 December 2022

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Year Ended 31.12.22 £	Period 31.12.20 to 31.12.21 £
Profit before taxation	598,649	1,015,805
Depreciation charges	188,146	170,586
Profit on disposal of fixed assets	(32,659)	(652)
Government grants	(52,011)	-
Finance costs	120,290	124,172
Finance income	(1,378)	(25)
	821,037	1,309,886
(Increase)/decrease in stocks	(698)	1,393
Increase in trade and other debtors	(75,151)	(11,300)
(Decrease)/increase in trade and other creditors	(13,829)	104,402
Cash generated from operations	731,359	1,404,381

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2022

	31.12.22 £	1.1.22 £
Cash and cash equivalents	530,082	434,154

Period ended 31 December 2021

	31.12.21 £	31.12.20 £
Cash and cash equivalents	434,154	180,439

Notes to the Statement of Cash Flows
for the Year Ended 31 December 2022

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.22 £	Cash flow £	At 31.12.22 £
Net cash			
Cash at bank and in hand	434,154	95,928	530,082
	<u>434,154</u>	<u>95,928</u>	<u>530,082</u>
Debt			
Finance leases	(95,072)	30,234	(64,838)
Debts falling due within 1 year	(196,121)	(3,868,777)	(4,064,898)
Debts falling due after 1 year	(3,684,112)	3,684,112	-
	<u>(3,975,305)</u>	<u>(154,431)</u>	<u>(4,129,736)</u>
Total	<u>(3,541,151)</u>	<u>(58,503)</u>	<u>(3,599,654)</u>

Notes to the Financial Statements
for the Year Ended 31 December 2022

1. **STATUTORY INFORMATION**

Flollie Investments Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

The financial statements have been prepared on the historical cost convention.

Turnover

Turnover represents fee income receivable from care services provided. Turnover is recognised in the year in which the company obtains the right to consideration as the services provided under contracts have been delivered and is recorded at the value of the consideration due. Where payments are received from customers in advance of services provided, the amounts are recorded as advanced income and included as part of creditors due within one year.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- in accordance with the property
Property improvements	- in accordance with the property
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on reducing balance

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

3. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

Despite the company generating a profit in the year of £440,662, it has net current liabilities of £2,979,532 as at the year end. This is due to the reclassification of bank loans as current liabilities owing to a breach in the cash flow to debt service cover bank covenant.

The company relies on the continued support of its bankers. Projections for 2023 and onwards show positive results and a strong cash flow position which should be sufficient to enable the company to comply with its bank covenants. The directors have no reason to believe that bank support will not be continued. Accordingly they believe it is appropriate to prepare the financial statements on a going concern basis.

In making their going concern assessment, the directors have given consideration to the on-going impact of the coronavirus pandemic on the operations and financial performance of the company, as well as on the residents, service users and families. The directors have also given consideration to the on-going challenges of rising costs in the care sector.

While recognising that there can be no certainty, having considered these factors, the directors are satisfied that the company will continue to meet its liabilities as they fall due, and continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Accounting estimates and judgements

The directors consider there to be no estimates or judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

4. **OTHER OPERATING INCOME**

	Year Ended 31.12.22 £	Period 31.12.20 to 31.12.21 £
Rents received	11,907	6,750
Government grants	52,011	237,781
	<u>63,918</u>	<u>244,531</u>

Government grants comprise Infection Control amounting to £6,278 (2021: £125,001), Rapid Testing and Workforce Capacity amounting to £26,264 (2021: £112,780) and Innovation Grant £19,469 (2021:£nil).

5. **EMPLOYEES AND DIRECTORS**

	Year Ended 31.12.22 £	Period 31.12.20 to 31.12.21 £
Wages and salaries	1,523,860	1,429,083
Social security costs	120,279	104,512
Other pension costs	22,757	21,166
	<u>1,666,896</u>	<u>1,554,761</u>

The average number of employees during the year was as follows:

	Year Ended 31.12.22	Period 31.12.20 to 31.12.21
Administrative staff	2	2
Management staff	4	4
Maintenance staff	2	2
Care and kitchen staff	70	70
	<u>78</u>	<u>78</u>

	Year Ended 31.12.22 £	Period 31.12.20 to 31.12.21 £
Directors' remuneration	<u>16,482</u>	<u>15,392</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	Year Ended 31.12.22 £	Period 31.12.20 to 31.12.21 £
Hire of plant and machinery	2,349	2,385
Depreciation - owned assets	162,059	148,607
Depreciation - assets on hire purchase contracts	26,087	21,979
Profit on disposal of fixed assets	(32,659)	(652)
Auditors' remuneration	12,000	12,000
Auditors' remuneration for non audit work	12,253	15,690

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 31.12.22 £	Period 31.12.20 to 31.12.21 £
Loan	116,586	123,488
Corporation tax interest	-	15
Hire purchase	3,704	669
	<u>120,290</u>	<u>124,172</u>

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	Year Ended 31.12.22 £	Period 31.12.20 to 31.12.21 £
Current tax: UK corporation tax	135,394	187,063
Deferred tax	22,593	14,675
Tax on profit	<u>157,987</u>	<u>201,738</u>

UK corporation tax has been charged at 19% (2021 - 19%).

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

8. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31.12.22 £	Period 31.12.20 to 31.12.21 £
Profit before tax	<u>598,649</u>	<u>1,015,805</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	113,743	193,003
Effects of:		
Expenses not deductible for tax purposes	13,508	48
Capital allowances in excess of depreciation	-	(5,988)
Depreciation in excess of capital allowances	8,143	-
Deferred tax movement	<u>22,593</u>	<u>14,675</u>
Total tax charge	<u>157,987</u>	<u>201,738</u>

9. **DIVIDENDS**

	Year Ended 31.12.22 £	Period 31.12.20 to 31.12.21 £
Interim	<u>420,000</u>	<u>420,000</u>

10. **INTANGIBLE FIXED ASSETS**

	Goodwill £
COST	
At 1 January 2022 and 31 December 2022	<u>455,000</u>
AMORTISATION	
At 1 January 2022 and 31 December 2022	<u>455,000</u>
NET BOOK VALUE	
At 31 December 2022	<u>-</u>
At 31 December 2021	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

11. TANGIBLE FIXED ASSETS

	Freehold property £	Property improvements £	Fixtures and fittings £
COST			
At 1 January 2022	3,404,518	2,561,455	781,873
Additions	-	-	3,250
Disposals	-	-	-
At 31 December 2022	3,404,518	2,561,455	785,123
DEPRECIATION			
At 1 January 2022	395,743	660,122	691,580
Charge for year	35,019	75,693	22,980
Eliminated on disposal	-	-	-
At 31 December 2022	430,762	735,815	714,560
NET BOOK VALUE			
At 31 December 2022	2,973,756	1,825,640	70,563
At 31 December 2021	3,008,775	1,901,333	90,293
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2022	364,514	52,180	7,164,540
Additions	61,490	33,128	97,868
Disposals	(188,611)	-	(188,611)
At 31 December 2022	237,393	85,308	7,073,797
DEPRECIATION			
At 1 January 2022	180,449	39,674	1,967,568
Charge for year	49,798	4,656	188,146
Eliminated on disposal	(134,770)	-	(134,770)
At 31 December 2022	95,477	44,330	2,020,944
NET BOOK VALUE			
At 31 December 2022	141,916	40,978	5,052,853
At 31 December 2021	184,065	12,506	5,196,972

Included in cost of land and buildings is freehold land of £778,074 (2021 - £778,074) which is not depreciated.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

11. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 January 2022	
and 31 December 2022	105,580
DEPRECIATION	
Charge for year	26,087
At 31 December 2022	26,087
NET BOOK VALUE	
At 31 December 2022	79,493
At 31 December 2021	105,580

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2022	
and 31 December 2022	100
NET BOOK VALUE	
At 31 December 2022	100
At 31 December 2021	100

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Soto Polo Ponies Limited
Registered office: United Kingdom
Nature of business: Dormant

	% holding
Class of shares:	
Ordinary	100.00

13. STOCKS

	31.12.22	31.12.21
	£	£
Stocks	4,537	3,839

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Trade debtors	139,248	49,490
Other debtors	118,113	120,747
Directors' current accounts	856,630	758,683
Prepayments and accrued income	9,745	21,718
	<u>1,123,736</u>	<u>950,638</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Bank loans and overdrafts (see note 17)	4,064,898	196,121
Hire purchase contracts (see note 18)	31,690	30,233
Trade creditors	61,690	104,179
Corporation tax	131,945	190,197
Social security and other taxes	28,250	28,648
Other creditors	117,768	116,466
Accruals and deferred income	201,646	173,890
	<u>4,637,887</u>	<u>839,734</u>

As at the year end, £4,064,898 of bank loans are shown as current liabilities due to a breach in the cash flow to debt service cover bank covenant at 31 December 2022.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.22	31.12.21
	£	£
Bank loans (see note 17)	-	3,684,112
Hire purchase contracts (see note 18)	33,148	64,839
	<u>33,148</u>	<u>3,748,951</u>

17. LOANS

An analysis of the maturity of loans is given below:

	31.12.22	31.12.21
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>4,064,898</u>	<u>196,121</u>
Amounts falling due between one and two years:		
Bank loans	<u>-</u>	<u>1,844,205</u>
Amounts falling due between two and five years:		
Bank loans	<u>-</u>	<u>373,458</u>

Amounts falling due in more than five years:

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

17. **LOANS - continued**

	31.12.22 £	31.12.21 £
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	-	1,466,449

18. **LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

	31.12.22 £	31.12.21 £
Net obligations repayable:		
Within one year	31,690	30,233
Between one and five years	33,148	64,839
	64,838	95,072

19. **SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.22 £	31.12.21 £
Bank loans	4,064,898	3,880,233
Hire purchase contracts	64,838	95,072
	4,129,736	3,975,305

The bank loans and overdraft are secured by Barclays who hold a debenture with a fixed and floating charge over the entire assets of the company and the following specific charges over properties.

A legal charge dated 20 February 2018 over Fig House, 16-20 Cecil Road, Weston-super-Mare, Somerset, BS23 2NT.

A legal charge dated 20 February 2018 over Heathwood House, 9-11 Trewartha Park, Weston-super-Mare, Somerset, BS23 2RP.

A legal charge dated 20 February 2018 over Alice House, 6-8 Queens Road, Weston-super-Mare, Somerset, BS23 2LQ.

The hire purchase liabilities are secured by a charge over the specific assets.

20. **PROVISIONS FOR LIABILITIES**

	31.12.22 £	31.12.21 £
Deferred tax	101,548	78,955

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

20. **PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 January 2022	78,955
Charge to Statement of Comprehensive Income during year	22,593
Balance at 31 December 2022	<u>101,548</u>

21. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.22 £	31.12.21 £
20	Ordinary	£1	<u>20</u>	<u>20</u>

The Ordinary shares carry one vote each at all general meetings of the company and rank equally in all respects.

22. **RESERVES**

	Retained earnings £
At 1 January 2022	1,918,043
Profit for the year	440,662
Dividends	(420,000)
At 31 December 2022	<u>1,938,705</u>

23. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the year ended 31 December 2022 and the period ended 31 December 2021:

	31.12.22 £	31.12.21 £
C C Larkin and T S Larkin		
Balance outstanding at start of year	758,683	766,014
Amounts repaid	(420,000)	(514,894)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>856,630</u>	<u>758,683</u>

24. **RELATED PARTY DISCLOSURES**

During the year, total dividends of £420,000 (2021 - £420,000) were paid to the directors.

Wages and salaries paid to close family members in the period ended 31 December 2022 amounted to £143,999 (2021: £84,143).

25. POST BALANCE SHEET EVENTS

At 31 March 2023, the company breached a bank covenant.

On 24 April 2023, the company purchased a flat in Weston-super-Mare for £210,000. On 11 August 2023 the company purchased a further flat in Weston-super-Mare for £200,000.

26. ULTIMATE CONTROLLING PARTY

The ultimate controlling party are the shareholders of the company.

Mr and Mrs Larkin jointly control the company by virtue of their share ownership.