

Company Registration No. 12238837 (England and Wales)

DRS CARE HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



DRS CARE HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mrs R Datoo Mrs N McDonald
Company number	12238837
Registered office	45 Pembury Road Tottenham London N17 6SS
Auditor	Shaw Gibbs (Audit) Limited 264 Banbury Road Oxford Oxfordshire OX2 7DY

DRS CARE HOLDINGS LIMITED

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DRS CARE HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal Activity

The principal activity of the company is that of being a holding company. The core principal activity of the company's subsidiaries is the operation of care homes and supported living services. The company and its subsidiaries are domiciled in the UK.

The primary activity of the group is the provision of accommodation with personal care for adults between the ages of 18-65 in care homes. It also provides supported living accommodation for adults to live more independently. Hours of support are provided in supported living services depending on needs.

DRS Care has been operational for 34 years. It currently provides accommodation in the form of 24 residential care beds situated in one of three care homes and 74 supported living beds. The Group's strategy is focused on continuing growth through new builds and are currently building 5 townhouses.

Fair review of the business

The directors are satisfied with the performance of the group during the year given the 'cost of living crisis', impact of the war in Ukraine on energy prices, increasing inflation and interest rates. As a result of these factors, profit before tax decreased from £324,179 to £205,046. The economic climate is uncertain, but risks are being managed with a focus on increasing our core cost fee, continued expansion of the business and also streamlining our costs.

Despite the above-mentioned challenges, the group remained profitable with a profit before tax of £205,046 and a gross margin of 27.6%.

EBITDA has increased from £754,764 to £869,998.

Relationships with suppliers and customers remained strong throughout the period. As at the balance sheet date the group had a positive cash position of £222,746 which is an increase from our position last year of £31,403 and net assets of £6,362,251, also an increase from £5,661,768 in 2021.

The net debt position of the Group at year end compromised the following:

Cash at bank and in hand	£222,746
Borrowings excluding overdrafts	(£8,655,111)
Obligation under finance leases	(£146,795)
Total	(£8,579,160)

DRS CARE HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Principal risks and uncertainties

The economic climate is clearly uncertain as a result of a group of factors including the war in Ukraine fuelling increasing inflation and interest rates. The relevant risks are being appropriately managed.

We are committed to providing high quality care. This is monitored through Local Authority inspections, CQC inspections and internal audits. We ensure there is a structure for reporting to senior management and the Board of any potential issues. All action plans are regularly reviewed to ensure implementation.

Risks to Health and Safety are minimised through appropriate staffing and training. We ensure a safe working environment is provided and regular safety audits are completed.

The need to implement London Living Wage has put pressure on our finances. We are currently in talks with our Local Authority to increase our fee rates to enable us to increase staff wages.

The shortage of staffing across the sector has an impact. We are utilising the government scheme to sponsor staff from abroad and are currently completing this process.

There are cost pressures with regard to inflation. We are trying to mitigate these risks by using energy efficiently and sourcing food at better prices.

We have a number of open vacancies. We need to grow occupancy levels to ensure viability especially as we have 5 townhouses currently in construction. We are in the process of updating our website and going to other boroughs to place clients.

Development and performance

The board of directors see the following key priorities to develop and drive performance:

1. Increase core cost rates
2. Increase marketing our service to other Local Authorities
3. Continued growth and expansion
4. Complete 5 townhouses project

Key performance indicators

The board monitor and review all aspects of the business as a matter of course and through monthly board meetings. Turnover, gross margins, EBITDA, cash position and net assets are the key financial performance indicators reviewed by the business. Further analysis is completed on new revenue / profit stream growth; services trends and cost base analysis.

The 2022 performance is summarised in the fair review of business section of this report.

On behalf of the board

Mrs R Datoo
Director

27 September 2023

DRS CARE HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company is that of being a holding company. The principal activity of the group continued to be that of owning and operating nursing homes and supported living accommodation units.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

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

Mrs R Datto
Mrs N McDonald

Auditor

The auditor, Shaw Gibbs (Audit) Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 auditor of the company 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 auditor of the company is aware of that information.

DRS CARE HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Strategic report

The company has chosen in accordance with Companies Act 2006, s.414C(11) to set out the company's strategic report information required by Large and Medium-sized Companies and Groups (Accountants and Reports) Regulations 2008, Sch.7 to be contained in the directors' report. It has done so in respect of the director's business review, principal risks and uncertainties faced by the group and future developments.

Going concern

The directors have reviewed the financial performance and position of the group and they are mindful of the net current liabilities of the group totalling £2,397,451. The relevant balance includes £1,935,556 owed to a company director. The relevant director has issued a letter of support to the company stating that repayment of the relevant amount due, which is repayable on demand, will not be requested unless the relevant company has sufficient funds to settle it. In addition to this, the group has prepared detailed cash flow forecasts, taking into consideration all available information, showing that it has and it is expected to generate sufficient funds to meet its liabilities as they fall due.

At the time of approving the financial statements, having taken into consideration the current and forecasted performance and position of the group, in combination with the available additional funding should this be considered necessary, the directors have a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future. Therefore, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

On behalf of the board

Mrs R Datoo
Director

Mrs N McDonald
Director

27 September 2023

DRS CARE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DRS CARE HOLDINGS LIMITED

Opinion

We have audited the financial statements of DRS Care Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group 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 group's and the parent company's affairs as at 31 December 2022 and of the group's 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 group and parent 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 group's and parent 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 auditor's 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.

DRS CARE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DRS CARE HOLDINGS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent 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 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.

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.

1. At the planning stage of the audit we gain an understanding of the laws and regulations which apply to the company and how the management seek to comply with those laws regulations. This helps us to plan appropriate risk assessments.
2. During the audit we focus on relevant risk areas and review the compliance with the laws and regulations by making relevant enquiries and undertaking corroboration, for example by reviewing Board Minutes and other documentation. This includes ensuring compliance with the CQC (Care Quality Commission), as independent regulator for some of the group companies.
3. We assess the risk of material misstatement in the financial statements including as a result of fraud and undertake procedures including:
 - a. Reviewing the controls set in place by management;
 - b. Making enquiries of management as to whether they consider fraud or other irregularity may have taken place, or where such opportunity might exist;
 - c. Challenging management assumptions with regard to accounting estimates; and
 - d. Identifying and testing journal entries, particularly those which appear to be unusual by size or nature.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

DRS CARE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DRS CARE HOLDINGS LIMITED

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 auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nikolaos Ioannidis (Senior Statutory Auditor)
For and on behalf of Shaw Gibbs (Audit) Limited

27 September 2023

Chartered Certified Accountants
Statutory Auditor

264 Banbury Road
Oxford
Oxfordshire
OX2 7DY

DRS CARE HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	5,673,161	5,683,106
Cost of sales		(4,109,076)	(4,087,476)
Gross profit		1,564,085	1,595,630
Administrative expenses		(1,025,142)	(1,159,478)
Other operating income		11,898	31,750
Operating profit	4	550,841	467,902
Interest receivable and similar income	8	1,370	1,352
Interest payable and similar expenses	9	(362,165)	(205,075)
Fair value gains on investment properties	12	15,000	60,000
Profit before taxation		205,046	324,179
Tax on profit	10	(106,587)	(70,834)
Profit for the financial year		98,459	253,345
Other comprehensive income			
Revaluation of tangible assets net of deferred tax impact		602,023	(910,739)
Total comprehensive income / (expense) for the year		700,482	(657,394)

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

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

DRS CARE HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		17,153,023		16,095,125
Investment property	12		375,000		360,000
			<u>17,528,023</u>		<u>16,455,125</u>
Current assets					
Debtors	16	458,438		506,111	
Cash at bank and in hand		222,746		31,403	
		<u>681,184</u>		<u>537,514</u>	
Creditors: amounts falling due within one year	17	(3,078,635)		(3,206,790)	
Net current liabilities			<u>(2,397,451)</u>		<u>(2,669,276)</u>
Total assets less current liabilities			15,130,572		13,785,849
Creditors: amounts falling due after more than one year	18		(8,574,116)		(8,003,437)
Provisions for liabilities					
Deferred tax liability	22	194,205		120,644	
		<u>(194,205)</u>		<u>(120,644)</u>	
Net assets			<u>6,362,251</u>		<u>5,661,768</u>
Capital and reserves					
Called up share capital	24		4		4
Revaluation reserve			602,023		-
Profit and loss reserves			5,760,224		5,661,764
Total equity			<u>6,362,251</u>		<u>5,661,768</u>

The financial statements were approved by the board of directors and authorised for issue on 27 September 2023 and are signed on its behalf by:

Mrs R Datoo
Director

Mrs N McDonald
Director

Company registration number 12238837 (England and Wales)

DRS CARE HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investments	13		203		203
Current assets					
Debtors	16	9,976,091		10,077,894	
Cash at bank and in hand		1		1	
		<u>9,976,092</u>		<u>10,077,895</u>	
Creditors: amounts falling due within one year	17	<u>(2,132,353)</u>		<u>(2,590,117)</u>	
Net current assets			<u>7,843,739</u>		<u>7,487,778</u>
Total assets less current liabilities			<u>7,843,942</u>		<u>7,487,981</u>
Creditors: amounts falling due after more than one year	18		<u>(8,278,663)</u>		<u>(7,862,983)</u>
Net liabilities			<u><u>(434,721)</u></u>		<u><u>(375,002)</u></u>
Capital and reserves					
Called up share capital	24		4		4
Profit and loss reserves			<u>(434,725)</u>		<u>(375,006)</u>
Total equity			<u><u>(434,721)</u></u>		<u><u>(375,002)</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £59,719 (2021 - £106,580 loss).

The financial statements were approved by the board of directors and authorised for issue on 27 September 2023 and are signed on its behalf by:

Mrs R Datoo
Director

Mrs N McDonald
Director

Company Registration No. 12238837

DRS CARE HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

		Share capital	Revaluation reserve	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 January 2021		4	824,146	5,495,012	6,319,162
Year ended 31 December 2021:					
Profit for the year	31	-	-	253,345	253,345
Other comprehensive income:					
Revaluation of tangible fixed assets		-	(910,739)	-	(910,739)
Total comprehensive expense for the year		-	(910,739)	253,345	(657,394)
Transfers		-	86,593	(86,593)	-
Balance at 31 December 2021		4	-	5,661,764	5,661,768
Year ended 31 December 2022:					
Profit for the year		-	-	98,459	98,459
Other comprehensive income:					
Revaluation of tangible fixed assets		-	602,023	-	602,023
Total comprehensive income for the year		-	602,023	98,459	700,482
Balance at 31 December 2022		4	602,023	5,760,224	6,362,251

DRS CARE HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2021	4	(268,426)	(268,422)
Year ended 31 December 2021:			
Loss and total comprehensive expense for the year	-	(106,580)	(106,580)
Balance at 31 December 2021	4	(375,006)	(375,002)
Year ended 31 December 2022:			
Loss and total comprehensive expense for the year	-	(59,719)	(59,719)
Balance at 31 December 2022	4	(434,725)	(434,721)

DRS CARE HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	29	1,176,890	676,375
Interest paid		(362,165)	(205,075)
Income taxes paid		(78,022)	-
Net cash inflow from operating activities		<u>736,703</u>	<u>471,300</u>
Investing activities			
Purchase of tangible fixed assets		(695,870)	(3,894,419)
Proceeds from disposal of tangible fixed assets		16,337	13,848
Interest received		1,370	1,352
Net cash used in investing activities		<u>(678,163)</u>	<u>(3,879,219)</u>
Financing activities			
Repayment of directors loan account		(365,984)	(192,623)
Proceeds from new bank loans		744,198	3,537,579
Repayment of bank loans		(207,779)	(206,154)
Payment of finance leases obligations		(37,632)	(48,346)
Net cash generated from financing activities		<u>132,803</u>	<u>3,090,456</u>
Net increase/(decrease) in cash and cash equivalents		<u>191,343</u>	<u>(317,463)</u>
Cash and cash equivalents at beginning of year		31,403	348,866
Cash and cash equivalents at end of year		<u><u>222,746</u></u>	<u><u>31,403</u></u>

DRS CARE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

DRS Care Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 45 Pembury Road, Tottenham, London, N17 6SS.

The group consists of DRS Care Holdings Limited and all of its subsidiaries.

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 and investment properties at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

During the 2020 financial period, DRS Care Holdings Limited acquired the shareholdings in each of its subsidiaries from its ultimate owner. This did not result in any change in the ultimate ownership of the group and therefore merger accounting was applied.

The consolidated group financial statements consist of the financial statements of the parent company DRS Care Holdings Limited together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.3 Going concern

The directors have reviewed the financial performance and position of the group and they are mindful of the net current liabilities of the group totalling £2,397,451. The relevant balance includes £1,935,556 owed to a company director. The relevant director has issued a letter of support to the company stating that repayment of the relevant amount due, which is repayable on demand, will not be requested unless the relevant company has sufficient funds to settle it. In addition to this, the group has prepared detailed cash flow forecasts, taking into consideration all available information, showing that it has and it is expected to generate sufficient funds to meet its liabilities as they fall due.

At the time of approving the financial statements, having taken into consideration the current and forecasted performance and position of the group, in combination with the available additional funding should this be considered necessary, the directors have a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future. Therefore, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

DRS CARE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.4 Turnover

Turnover is recognised at the fair value of the consideration receivable for services provided in the normal course of business.

1.5 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:

Freehold buildings	50 years straight line
Leasehold improvements	10% per annum on cost
Plant and equipment	25% reducing balance
Fixtures and fittings	25% reducing balance and 20%-25% straight line
Computers	25% straight line
Motor vehicles	25% reducing balance

Freehold land is not depreciated.

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 recognised in the profit and loss account.

1.6 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

Properties rented to group entities are accounted for as tangible fixed assets.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

DRS CARE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

1.9 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.

1.10 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

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.

DRS CARE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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 group 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 group after deducting all of its liabilities.

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.

Derecognition of financial liabilities

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

1.11 Equity instruments

Equity instruments issued by the group 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 group.

1.12 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 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

DRS CARE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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 if, and only if, there is 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.

1.13 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.

1.14 Retirement benefits

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

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

DRS CARE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of freehold properties and investment property

The fair values of the freehold and investment properties have been arrived at on the basis of valuations carried out by Arnold & Hobbs Ltd, a firm of Chartered Surveyors who are not connected with the company, as at 24 November 2022. The valuations were made on an open market value basis (which is considered to be a true reflection of the fair value) by reference to comparable recent market rates transactions and capital cost transactions completed at arm's length basis for similar properties. The directors do not believe that there has been a material change in the fair value of the properties between the valuation date and the year end.

Useful economic life of non-current assets

The useful economic lives of non-current assets have been derived from the judgement of the Directors, using their best estimate of the write-down period.

Land which is generally estimated to be 35% of the properties' value is not depreciated.

3 Turnover and other revenue

	2022 £	2021 £
Turnover analysed by class of business		
Care home services	1,913,097	2,000,503
Supported living services	3,680,641	3,605,918
Contributions to care	79,423	76,685
	<u>5,673,161</u>	<u>5,683,106</u>
	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	<u>5,673,161</u>	<u>5,683,106</u>
	2022 £	2021 £
Other revenue		
Interest income	1,370	1,352
Rental income	<u>11,898</u>	<u>31,750</u>

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	272,140	233,169
Depreciation of tangible fixed assets held under finance leases	47,017	53,693
(Profit)/loss on disposal of tangible fixed assets	<u>(4,794)</u>	<u>7,341</u>

DRS CARE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	4,040	3,675
Audit of the financial statements of the company's subsidiaries	19,060	17,325
	<u>23,100</u>	<u>21,000</u>

6 Employees

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

Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
98	92	-	-
<u>98</u>	<u>92</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	3,073,131	2,968,160	-	-
Social security costs	344,462	323,350	-	-
Pension costs	56,904	45,700	-	-
	<u>3,474,497</u>	<u>3,337,210</u>	<u>-</u>	<u>-</u>

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	<u>167,787</u>	<u>185,355</u>

8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	<u>1,370</u>	<u>1,352</u>

DRS CARE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Interest receivable and similar income (Continued)

	2022 £	2021 £
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	1,370	1,352

9 Interest payable and similar expenses

	2022 £	2021 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	340,030	197,638
Other finance costs:		
Interest on finance leases and hire purchase contracts	7,519	7,437
Other interest	14,616	-
Total finance costs	362,165	205,075

10 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	97,556	58,321
Deferred tax		
Origination and reversal of timing differences	9,031	12,513
Total tax charge	106,587	70,834

The actual 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:

	2022 £	2021 £
Profit before taxation	205,046	324,179
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	38,959	61,594
Tax effect of expenses that are not deductible in determining taxable profit	5,211	2,330
Permanent capital allowances in excess of depreciation	59,567	18,310
Increase / (decrease) in fair value of investment property not taxable	2,850	(11,400)
Taxation charge	106,587	70,834

DRS CARE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11	Tangible fixed assets									
Group	Freehold buildings £	Leasehold improvements £	Assets under construction £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £		
Cost or valuation										
At 1 January 2022	13,612,700	-	2,383,806	812,039	265,079	22,686	279,491	17,375,801		
Additions	82,868	53,600	534,004	1,187	18,565	5,647	36,779	732,650		
Disposals	-	-	-	-	-	-	(33,289)	(33,289)		
Revaluation	109,433	-	-	-	-	-	-	109,433		
At 31 December 2022	13,805,001	53,600	2,917,810	813,226	283,644	28,333	282,981	18,184,595		
Depreciation and impairment										
At 1 January 2022	357,983	-	-	715,299	106,912	8,313	92,169	1,280,676		
Depreciation charged in the year	190,699	5,360	-	24,333	44,405	6,605	47,755	319,157		
Eliminated in respect of disposals	-	-	-	-	-	-	(21,746)	(21,746)		
Revaluation	(546,515)	-	-	-	-	-	-	(546,515)		
At 31 December 2022	2,167	5,360	-	739,632	151,317	14,918	118,178	1,031,572		
Carrying amount										
At 31 December 2022	13,802,834	48,240	2,917,810	73,594	132,327	13,415	164,803	17,153,023		
At 31 December 2021	13,254,717	-	2,383,806	96,740	158,167	14,373	187,322	16,095,125		

The company had no tangible fixed assets at 31 December 2022 or 31 December 2021.

DRS CARE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Motor vehicles	162,586	184,366	-	-

Assets under construction relate to the amounts billed with respect to the construction work undertaken as detailed in note 25.

Freehold land and buildings are carried at valuation. If the relevant assets were measured using the cost model, the carrying amounts would be as follows:

	2022	2021
	£	£
Group		
Cost	13,609,169	13,526,301
Accumulated depreciation	(383,410)	(205,911)
Carrying value	13,225,759	13,320,390

12 Investment property

	Group	Company
	2022	2022
	£	£
Fair value		
At 1 January 2022 and 31 December 2022	360,000	-
Revaluation	15,000	-
At 31 December 2022	375,000	-

The fair values of the investment properties have been arrived at on the basis of valuations carried out by Arnold & Hobbs Ltd, a firm of Chartered Surveyors who are not connected with the company, as at 24 November 2022. The valuations were made on an open market value basis (which is considered to be a true reflection of the fair value) by reference to comparable recent market rates transactions and capital cost transactions completed at arm's length basis for similar properties. The directors do not believe that there has been a material change in the fair value of the properties between the valuation date and the year end.

The historical cost of the investment property is £105,000.

DRS CARE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	14	-	-	203	203
Movements in fixed asset investments					
Company					Shares in subsidiaries £
Cost or valuation					
At 1 January 2022 and 31 December 2022					203
Carrying amount					
At 31 December 2022					203
At 31 December 2021					203

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held	
				Direct	Indirect
DRS Housing Ltd	1	Care Homes	Ordinary	100.00	-
DRS Domiciliary Agency Ltd	1	Property	Ordinary	100.00	-
DRS Care Homes Limited	1	Care Homes	Ordinary	100.00	-
DRS Care Home Properties Limited	1	Property	Ordinary	100.00	-
Fusion Flavour Ltd	1	Non-trading	Ordinary	-	100.00

Registered office addresses (all UK unless otherwise indicated):

1 45 Pembury Road, Tottenham, London, N17 6SS

15 Financial instruments

	Group 2022 £	2021 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	592,127	469,428
Carrying amount of financial liabilities		
Measured at amortised cost	11,180,266	10,991,725

DRS CARE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Debtors

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	74,595	314,037	-	-
Amounts owed by group undertakings	-	-	9,976,091	10,077,894
Other debtors	-	156	-	-
Prepayments and accrued income	333,718	152,398	-	-
	<u>408,313</u>	<u>466,591</u>	<u>9,976,091</u>	<u>10,077,894</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 22)	50,125	39,520	-	-
	<u>50,125</u>	<u>39,520</u>	<u>-</u>	<u>-</u>
Total debtors	<u>458,438</u>	<u>506,111</u>	<u>9,976,091</u>	<u>10,077,894</u>

17 Creditors: amounts falling due within one year

		Group 2022	2021	Company 2022	2021
	Notes	£	£	£	£
Bank loans	19	197,620	255,709	169,933	255,709
Obligations under finance leases	20	30,170	30,812	-	-
Trade creditors		57,788	139,914	1,576	20,100
Corporation tax payable		156,930	137,397	-	-
Other taxation and social security		315,554	81,107	-	-
Deferred income	21	-	2,498	-	-
Other creditors		2,234,176	2,424,286	1,946,636	2,301,390
Accruals		86,397	135,067	14,208	12,918
		<u>3,078,635</u>	<u>3,206,790</u>	<u>2,132,353</u>	<u>2,590,117</u>

18 Creditors: amounts falling due after more than one year

		Group 2022	2021	Company 2022	2021
	Notes	£	£	£	£
Bank loans and overdrafts	19	8,457,491	7,862,983	8,278,663	7,862,983
Obligations under finance leases	20	116,625	125,617	-	-
Deferred income	21	-	14,837	-	-
		<u>8,574,116</u>	<u>8,003,437</u>	<u>8,278,663</u>	<u>7,862,983</u>

DRS CARE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Creditors: amounts falling due after more than one year (Continued)

Amounts included above which fall due after five years are as follows:

Payable by instalments	5,216,689	4,940,995	5,182,295	4,940,995
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

19 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	8,655,111	8,118,692	8,448,596	8,118,692
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Payable within one year	197,620	255,709	169,933	255,709
Payable after one year	8,457,491	7,862,983	8,278,663	7,862,983
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

20 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	30,170	30,813	-	-
In two to five years	116,625	125,616	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	146,795	156,429	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Finance lease payments represent rentals payable by the group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4.6 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

21 Deferred income

	Group 2022 £	2021 £	Company 2022 £	2021 £
Other deferred income	-	17,335	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

DRS CARE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

21 Deferred income (Continued)

Deferred income is included in the financial statements as follows:

Current liabilities	-	2,498	-	-
Non-current liabilities	-	14,837	-	-
	<u>-</u>	<u>17,335</u>	<u>-</u>	<u>-</u>

22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £	Assets 2022 £	Assets 2021 £
Group				
Accelerated capital allowances	105,934	81,124	-	-
Property revaluations	88,271	39,520	50,125	39,520
	<u>194,205</u>	<u>120,644</u>	<u>50,125</u>	<u>39,520</u>

The company has no deferred tax assets or liabilities.

	Group 2022 £	Company 2022 £
Movements in the year:		
Liability at 1 January 2022	81,124	-
Charge to profit or loss	9,031	-
Charge to other comprehensive income	53,925	-
Liability at 31 December 2022	<u>144,080</u>	<u>-</u>

23 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>56,904</u>	<u>45,700</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

DRS CARE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

24 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	4	4	4	4
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

25 Financial commitments, guarantees and contingent liabilities

During the 2019 financial year the group entered into a contract for the design and build of 5 townhouses on the land to the rear of 705-707 High Road, Tottenham, N17 8AD. As at the year end the company is committed to a further £673,358 to complete the relevant construction. The development is expected to be completed by Q4 of 2023.

Triodos Bank UK Limited has a fixed and floating charge over the assets of the company, covering group borrowings. At the balance sheet date this totalled £8,448,596 (2021: £8,118,692).

26 Related party transactions

In accordance with Section 33.1A of FRS 102, related party transactions and outstanding balances have not been disclosed with and between wholly owned subsidiaries within the group.

27 Directors' transactions

As at the year end, the company and group owed Mrs R Datoo £1,935,556 (2021: £2,301,540). This loan is interest free, repayable on demand and included in other creditors.

28 Controlling party

The ultimate controlling party is Mrs R Datoo.

DRS CARE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

29 Cash generated from group operations

	2022 £	2021 £
Profit for the year after tax	98,459	253,345
Adjustments for:		
Taxation charged	106,587	70,834
Finance costs	362,165	205,075
Investment income	(1,370)	(1,352)
(Gain)/loss on disposal of tangible fixed assets	(4,794)	7,341
Fair value gain on investment properties	(15,000)	(60,000)
Depreciation and impairment of tangible fixed assets	319,157	286,862
Movements in working capital:		
Decrease/(increase) in debtors	58,278	(154,413)
Increase in creditors	259,743	71,183
Decrease in deferred income	(17,335)	(2,500)
Cash generated from operations	1,165,890	676,375

30 Analysis of changes in net debt - group

	1 January 2022 £	Cash flows £	New bank loans £	New finance leases £	31 December 2022 £
Cash at bank and in hand	31,403	191,343	-	-	222,746
Borrowings excluding overdrafts	(8,118,692)	207,778	(744,197)	-	(8,655,111)
Obligations under finance leases	(156,429)	37,595	-	(27,961)	(146,795)
	(8,243,718)	436,716	(744,197)	(27,961)	(8,579,160)

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.