

Company Registration No. 12238837 (England and Wales)

**DRS CARE HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**



# DRS CARE HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mrs R Datoo Mrs N McDonald	(Appointed 1 February 2020)
<b>Company number</b>	12238837	
<b>Registered office</b>	45 Pembury Road Tottenham London N17 6SS	
<b>Auditor</b>	Shaw Gibbs (Audit) Limited 264 Banbury Road Oxford OX2 7DY	

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# **DRS CARE HOLDINGS LIMITED**

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# **DRS CARE HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The directors present their annual report and financial statements for the year ended 31 December 2020.

### **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**

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 Datoo

Mrs N McDonald

(Appointed 1 February 2020)

### **Auditor**

Shaw Gibbs (Audit) Limited were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Statement of 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 financial statements;
- 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 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.

### **Small companies exemption**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

**DRS CARE HOLDINGS LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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On behalf of the board

Mrs R Datoo  
**Director**

Mrs N McDonald  
**Director**

15 December 2021

# DRS CARE HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF DRS CARE HOLDINGS LIMITED

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#### 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 2020 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 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2020 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 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.

# **DRS CARE HOLDINGS LIMITED**

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

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### **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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

### **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 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.

## **DRS CARE HOLDINGS LIMITED**

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

#### **TO THE MEMBERS OF DRS CARE HOLDINGS LIMITED**

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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 the company.
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
  - 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 originating from responsibilities that are not the responsibility of management, such as fraud, collusion, https://www.firmregulation.com/irregularities. 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**

15 December 2021

**Chartered Certified Accountants**  
**Statutory Auditor**

264 Banbury Road  
Oxford  
OX2 7DY



# DRS CARE HOLDINGS LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
<b>Turnover</b>		5,500,178	3,897,032
Cost of sales		(3,988,219)	(2,877,918)
<b>Gross profit</b>		1,511,959	1,019,114
Administrative expenses		(1,156,866)	(445,667)
Other operating income		32,536	-
<b>Operating profit</b>		387,629	573,447
Interest receivable and similar income	4	200	6,816
Interest payable and similar expenses		(18,860)	(7,816)
<b>Profit before taxation</b>		368,969	572,447
Tax on profit		(67,628)	(123,246)
<b>Profit for the financial year</b>		301,341	449,201
<b>Other comprehensive income</b>			
Revaluation of tangible fixed assets		4,311	128,904
<b>Total comprehensive income for the year</b>		305,652	578,105

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.

# DRS CARE HOLDINGS LIMITED

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	5	13,332,374		5,755,250	
Investment properties	6	300,000		300,000	
		<u>13,632,374</u>		<u>6,055,250</u>	
<b>Current assets</b>					
Debtors	9	257,251		621,440	
Cash at bank and in hand		348,866		7,779	
		<u>606,117</u>		<u>629,219</u>	
<b>Creditors: amounts falling due within one year</b>	10	(3,183,010)		(592,148)	
<b>Net current (liabilities)/assets</b>		<u>(2,576,893)</u>		<u>37,071</u>	
<b>Total assets less current liabilities</b>		11,055,481		6,092,321	
<b>Creditors: amounts falling due after more than one year</b>	11	(4,699,659)		(52,731)	
<b>Provisions for liabilities</b>		<u>(113,610)</u>		<u>(103,033)</u>	
<b>Net assets</b>		<u>6,242,212</u>		<u>5,936,557</u>	
<b>Capital and reserves</b>					
Called up share capital		4		1	
Revaluation reserve		824,146		819,835	
Profit and loss reserves		5,418,062		5,116,721	
<b>Total equity</b>		<u>6,242,212</u>		<u>5,936,557</u>	

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 15 December 2021 and are signed on its behalf by:

Mrs R Datoo  
Director

Mrs N McDonald  
Director

# DRS CARE HOLDINGS LIMITED

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Investments	7		203		-
<b>Current assets</b>					
Debtors	9	7,275,997		-	
Cash at bank and in hand		1		1	
		<u>7,275,998</u>		<u>1</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(2,931,974)</u>		<u>-</u>	
<b>Net current assets</b>			<u>4,344,024</u>		<u>1</u>
<b>Total assets less current liabilities</b>			<u>4,344,227</u>		<u>1</u>
<b>Creditors: amounts falling due after more than one year</b>	11	<u>(4,612,649)</u>		<u>-</u>	
<b>Net (liabilities)/assets</b>			<u><u>(268,422)</u></u>		<u><u>1</u></u>
<b>Capital and reserves</b>					
Called up share capital			4		1
Profit and loss reserves			<u>(268,426)</u>		<u>-</u>
<b>Total equity</b>			<u><u>(268,422)</u></u>		<u><u>1</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 £268,426 (2019 - £0 profit).

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

The financial statements were approved by the board of directors and authorised for issue on 15 December 2021 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 2020

	Share capital	Revaluation reserve	Profit and loss reserves	Total
Notes	£	£	£	£
<b>Balance at 1 January 2019</b>	1	690,931	4,667,520	5,358,452
<b>Year ended 31 December 2019:</b>				
Profit for the year	-	-	449,201	449,201
Other comprehensive income:				
Revaluation of tangible fixed assets	-	128,904	-	128,904
Total comprehensive income for the year	-	128,904	449,201	578,105
<b>Balance at 31 December 2019</b>	1	819,835	5,116,721	5,936,557
<b>Year ended 31 December 2020:</b>				
Profit for the year	-	-	301,341	301,341
Other comprehensive income:				
Revaluation of tangible fixed assets	-	4,311	-	4,311
Total comprehensive income for the year	-	4,311	301,341	305,652
Issue of share capital	3	-	-	3
<b>Balance at 31 December 2020</b>	4	824,146	5,418,062	6,242,212

# DRS CARE HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
<b>Balance at 1 January 2019</b>	-	-	-
<b>Year ended 31 December 2019:</b>			
Profit and total comprehensive income for the year	-	-	-
Issue of share capital	1	-	1
<b>Balance at 31 December 2019</b>	1	-	1
<b>Year ended 31 December 2020:</b>			
Loss and total comprehensive income for the year	-	(268,426)	(268,426)
Issue of share capital	3	-	3
<b>Balance at 31 December 2020</b>	4	(268,426)	(268,422)

# DRS CARE HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties, investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Business combinations**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

#### **1.3 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 has been 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 2020. 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.

# DRS CARE HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

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

#### 1.4 Going concern

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

#### 1.5 Turnover

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

#### 1.6 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 land and buildings	2% per annum on cost of buildings
Plant and equipment	25% reducing balance
Fixtures and fittings	25% reducing balance
Computers	25% per annum on cost
Motor vehicles	25% reducing balance
Assets under construction	Not depreciated until completed

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.

#### 1.7 Investment properties

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.

#### 1.8 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.

# DRS CARE HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### 1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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.

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.

#### 1.10 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.

#### 1.11 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.



# DRS CARE HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the 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.

### 1.12 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.

### 1.13 Taxation

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

# DRS CARE HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset 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.

#### **1.14 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.

#### **1.15 Retirement benefits**

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

#### **1.16 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.

# DRS CARE HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 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.

#### 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

Freehold properties are initially recognised at cost and subsequently revalued to their fair value. The fair values of the freehold properties have been arrived at on the basis of valuations carried out on 20 September 2019 and subsequently readdressed on 17 August 2020 by Eddisons Real Estate & Business Valuers, who are not connected with the company. 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, income/yield transactions and capital cost transactions completed at arm's length basis for similar properties.

The directors, by taking into consideration the market conditions, believe that the fair value of the freehold properties on 31 December 2020 were not materially different by comparison to the above valuation.

#### Valuation of investment property

The fair value of the investment property has been arrived at on the basis of a valuation carried out on 20 September 2019 and subsequently readdressed on 17 August 2020 by Eddisons Real Estate & Business Valuers, who are not connected with the company. The valuation was 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, income/yield transactions and capital cost transactions completed at arm's length basis for similar properties.

The directors, by taking into consideration the market conditions, believe that the fair value of the investment properties on 31 December 2020 were not materially different by comparison to the above valuation.

#### 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.

### 3 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Total	83	73	-	-

## DRS CARE HOLDINGS LIMITED

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

*FOR THE YEAR ENDED 31 DECEMBER 2020*

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<b>4</b>	<b>Interest receivable and similar income</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Other interest receivable and similar income	200	6,816
		<u>200</u>	<u>6,816</u>

## DRS CARE HOLDINGS LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### 5 Tangible fixed assets

Group	Freehold land and buildings £	Assets under construction £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost</b>							
At 1 January 2020	5,582,988	-	804,981	99,316	6,727	129,576	6,623,588
Additions	7,312,304	267,621	3,213	44,398	9,747	114,250	7,751,533
Revaluation	4,310	-	-	-	-	-	4,310
At 31 December 2020	12,899,602	267,621	808,194	143,714	16,474	243,826	14,379,431
<b>Depreciation and impairment</b>							
At 1 January 2020	102,381	-	642,309	54,814	569	68,265	868,338
Depreciation charged in the year	93,585	-	41,092	18,769	2,804	22,469	178,719
At 31 December 2020	195,966	-	683,401	73,583	3,373	90,734	1,047,057
<b>Carrying amount</b>							
At 31 December 2020	12,703,636	267,621	124,793	70,131	13,101	153,092	13,332,374
At 31 December 2019	5,480,607	-	162,672	44,502	6,158	61,311	5,755,250

The company had no tangible fixed assets at 31 December 2020 or 31 December 2019.

# DRS CARE HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 5 Tangible fixed assets (Continued)

Assets under construction relate to the amounts billed with respect to the construction work undertaken as detailed in note 15.

### 6 Investment property

	Group 2020 £	Company 2020 £
<b>Fair value</b>		
At 1 January 2020 and 31 December 2020	300,000	-

The fair value of the investment property has been arrived at on the basis of a valuation carried out on 20 September 2019 and subsequently readdressed on 17 August 2020 by Eddisons Real Estate & Business Valuers, who are not connected with the company. The valuation was 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, income/yield transactions and capital cost transactions completed at arm's length basis for similar properties.

The directors, by taking into consideration the market conditions, believe that the fair value of the investment property on 31 December 2020 was not materially different by comparison to the above valuation.

### 7 Fixed asset investments

Group 2020 £	2019 £	Company 2020 £	2019 £
-	-	203	-

#### Movements in fixed asset investments

Company	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 January 2020	-
Additions	203
At 31 December 2020	203
<b>Carrying amount</b>	
At 31 December 2020	203
At 31 December 2019	-

# DRS CARE HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
DRS Housing Ltd	45 Pembury Road, Tottenham, London, N17 6SS	Care Homes	Ordinary	100.00	-
DRS Domiciliary Agency Ltd	As above	Property	Ordinary	100.00	-
DRS Care Homes Limited	As above	Care Homes	Ordinary	100.00	-
DRS Care Home Properties Limited	As above	Property	Ordinary	100.00	-
Fusion Flavour Ltd	As above	Non-trading	Ordinary	0	100.00

### 9 Debtors

	Group 2020	2019	Company 2020	2019
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	181,031	570,268	-	-
Amounts owed by group undertakings	-	-	7,272,211	-
Other debtors	20,938	5,573	3,786	-
Prepayments and accrued income	33,258	45,599	-	-
	<u>235,227</u>	<u>621,440</u>	<u>7,275,997</u>	<u>-</u>
<b>Amounts falling due after more than one year:</b>				
Deferred tax asset	<u>22,024</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total debtors</b>	<u>257,251</u>	<u>621,440</u>	<u>7,275,997</u>	<u>-</u>

# DRS CARE HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 10 Creditors: amounts falling due within one year

		Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans and overdrafts	12	174,618	96,950	174,618	-
Obligations under finance leases	13	25,005	19,082	-	-
Trade creditors		43,385	20,145	-	-
Amounts owed to group undertakings		-	-	250,893	-
Corporation tax payable		79,076	107,943	-	-
Other taxation and social security		77,015	103,969	-	-
Deferred income	14	2,498	2,498	-	-
Other creditors		2,734,617	226,880	2,494,163	-
Accruals and deferred income		46,796	14,681	12,300	-
		<u>3,183,010</u>	<u>592,148</u>	<u>2,931,974</u>	<u>-</u>

### 11 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans and overdrafts	12	4,612,649	-	4,612,649	-
Obligations under finance leases	13	69,673	32,109	-	-
Deferred income	14	17,337	20,622	-	-
		<u>4,699,659</u>	<u>52,731</u>	<u>4,612,649</u>	<u>-</u>

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

Bank loans	3,857,665	-	3,857,665	-
	<u>3,857,665</u>	<u>-</u>	<u>3,857,665</u>	<u>-</u>

### 12 Loans and overdrafts

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	4,787,267	-	4,787,267	-
Bank overdrafts	-	96,950	-	-
	<u>4,787,267</u>	<u>96,950</u>	<u>4,787,267</u>	<u>-</u>
Payable within one year	174,618	96,950	174,618	-
Payable after one year	4,612,649	-	4,612,649	-
	<u>4,787,267</u>	<u>96,950</u>	<u>4,787,267</u>	<u>-</u>



# DRS CARE HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 12 Loans and overdrafts

(Continued)

Santander UK PLC hold a fixed and floating charge over the property and undertakings of the group.

In November 2020, Triodos Bank UK Limited created a fixed and floating charger over the undertakings and all property and assets of the group.

### 13 Finance lease obligations

	Group 2020 £	2019 £	Company 2020 £	2019 £
Future minimum lease payments due under finance leases:				
Within one year	25,005	19,082	-	-
In two to five years	69,673	32,109	-	-
	<u>94,678</u>	<u>51,191</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.

### 14 Deferred income

	Group 2020 £	2019 £	Company 2020 £	2019 £
Other deferred income	<u>19,835</u>	<u>23,120</u>	<u>-</u>	<u>-</u>
Deferred income is included in the financial statements as follows:				
Current liabilities	2,498	2,498	-	-
Non-current liabilities	<u>17,337</u>	<u>20,622</u>	<u>-</u>	<u>-</u>
	<u>19,835</u>	<u>23,120</u>	<u>-</u>	<u>-</u>

### 15 Financial commitments, guarantees and contingent liabilities

During the year, DRS Domiciliary Agency Ltd 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.

The contract commencement date was 1 December 2020. The total build price is £3,108,208, expected to be completed by 16 November 2021. At 31 December 2020, £392,165 of works had been completed.

### 16 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.

## DRS CARE HOLDINGS LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 17 Directors' transactions

During the year, a share for share exchange took place, such that DRS Care Holdings Limited now owns the shares of DRS Housing Ltd, DRS Care Homes Limited and DRS Domiciliary Agency Ltd. These were previously owned by Mrs R Dattoo, who was and continues to be the ultimate controlling party of the group.

During the year, DRS Domiciliary Agency Ltd and DRS Care Homes Properties Limited purchased properties from Mrs R Dattoo. The total value of the relevant properties being £6,895,000 was the fair value of the properties, which had been arrived at on the basis of a valuation carried on 20 September 2019 and subsequently readdressed on 17 August 2020 by Eddisons Real Estate & Business valuers, who are not connected with the company. 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, income / yield transactions and capital cost transactions completed at arm's length basis for similar properties.

Description	% Rate	Opening balance £	Amounts advanced £	Closing balance £
Directors loan	-	201,539	2,292,624	2,494,163
		<u>201,539</u>	<u>2,292,624</u>	<u>2,494,163</u>

The above amounts are interest free and repayable on demand.

#### 18 Controlling party

The ultimate controlling party is Mrs R Dattoo.

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.