

Ross Care Limited

Annual Report and Financial Statements

Year Ended

30 June 2022

Company Number 12439039



Ross Care Limited

Company Information

Directors	C J Atkins L Davies A J Crawshaw
Registered number	12439039
Registered office	Nutsey Lane Calmore Industrial Estate Totton Southampton England SO40 3XJ
Independent auditor	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

Ross Care Limited

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Ross Care Limited

Strategic Report For the Year Ended 30 June 2022

The directors present their strategic report together with the audited financial statements for the year ended 30 June 2022.

Principal activity, review of business and future developments

The company's principal activity is that of an investment holding and management company to enhance the health and well-being of communities by the provision of exceptional service and solutions. The principal activities of the group, of which the company is a part of, are the operation of integrated community equipment services (ICES), wheelchair services, home improvement agency and technology enabled care contracts for various local authorities and NHS Commissioning Groups in the UK, the manufacture of orthopaedic postural seating and the provision of mobility, pressure care and aids to improve daily living.

The group performed in line with expectations. The business continues to bid for suitable new contracts and will seek to retain those contracts that are time expired, provided the contracts support a sustainable financial return. In the year to June 2022 there was significant levels of capital expenditure, primarily on operating systems and new motor vehicles to improve the quality of its service to both commissioners and service user customers. This marks the last year of higher rates of capital expenditure and a return to lower capital expenditure levels is expected in future periods.

The directors are anticipating continued growth in both revenues and EBITDA for the forthcoming year and are confident of their planning and resource allocation to best deal with shortages of skilled labour and supply chain issues, partly due to post-pandemic economic conditions

Review of financial position

As at 30 June 2022, the company had net assets totalling £14.9m (2021 – net assets of £14.9m)

As at 30 June 2022, the group of which the company is a subsidiary, had total assets less current liabilities totalling £56.2m (2021 - £58.8m) and net liabilities totalling £11.3m (2021 - £6.0m). Group closing cash balances were £9.0m (2021 - £13.8m), whilst reported net debt stood at £62.7m (2021 - £55.0m).

The group complied and continues to comply with the banking covenants set out in its Senior Facilities Agreement and has strong support from its Senior Lenders and Shareholders.

Key performance indicators

The group for which the company is an intermediate holding company, has a number of performance indicators which the board monitors periodically. The key performance indicators are turnover and EBITDA (being defined as operating profit, with depreciation and amortisation added back) and these are detailed within the financial statements for Millbrook Healthcare Holdings Limited (Formerly Cairngorm Acquisitions 9 Topco Limited), the ultimate parent undertaking.

The board also monitors other non-financial indicators which include employee turnover, equality, diversity, clinical, operational governance and the health and safety environment.

Ross Care Limited

Strategic Report (continued) For the Year Ended 30 June 2022

Principal risks and uncertainties

The management of the business and the execution of the group's strategy remains subject to a number of external risks; these risks are regularly reviewed by the board and where appropriate, monitored and mitigated by suitable processes. Principal risks identified by the Board are set out below:

Inflation

The relatively higher rates of inflation being experienced in the UK have the potential to reduce trading margins if the group does not secure matching price increases from its customers. Increases to the statutory minimum wage, which apply to some of our colleagues, further increases inflationary pressures. In mitigation, the group actively discusses these pressures with its customers in securing matching price increases for its services. Current economic forecasts expect these inflationary pressures to fall away over 2023.

Safeguarding

The group provides critical services to vulnerable people. A failure in safeguarding could not only be harmful for the people affected, but it could also, for the Group, lead to loss of reputation and contracted work along with financial penalties and fines. Appropriate standards of service and a focus on keeping people safe is of the highest priority. The corporate governance function maintains a focus on upholding standards, undertaking audit visits and regular reporting on governance KPIs.

Liquidity

The group benefits from financing from both third-party lenders and shareholder loans. There is a risk that the group fails the associated covenant tests or is unable to service the debt interest. The group maintains detailed short term and long-term cash forecasts to ensure there is sufficient liquidity to mitigate this risk. The Group financial forecasts show a good level of headroom against the banking covenant tests.

Interest rate risk

The group finances its operations through a mixture of retained profits, bank borrowings and loan notes. The interest rate exposure of the financial assets and liabilities of the group as at 30 June 2022 is shown within the notes to the accounts. The statement of financial position includes trade debtors and creditors which do not attract interest and are therefore not subject to interest rate risk.

Promoting the success of the Group for the benefit of all stakeholders

Corporate governance for all companies within Millbrook Healthcare provides a framework for the company to not only demonstrate how the board makes decisions for the long-term success of the company and its stakeholders, but also has regard to how the board ensures the company complies with the requirements of Section 172 of the Companies Act 2016.

The board considers the interests of all stakeholders at its regular board meetings and ensures that all stakeholders' interests are considered when taking decisions. The Board recognises that stakeholders include shareholders, customers, suppliers, employees and the communities in which the business operates.

The board looks to foster strong relationships across its customer and supplier community through active engagement with regular and open communication.

The group recognises the importance of engaging employees to help them make their fullest contribution to the business, which is fundamental to achieving the group's strategy and long term objectives. Millbrook Healthcare group uses a variety of media to inform employees about business development and prospects and seeks and listens to employees' views and opinions. We have recently implemented an employee pulse survey platform so that the executive team receives regular and direct feedback from colleagues all across the business.

Regular Toolbox talks are used to reinforce safety basics, focus on high risk scenarios, keep health and safety knowledge refreshed, stay up to date and continually grow and develop a positive health and safety culture. The board receives a regular update on accidents and near misses and promotes accident prevention and encourages reporting across the whole business.

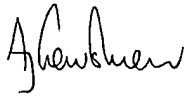
Ross Care Limited

Strategic Report (continued) For the Year Ended 30 June 2022

The group remains committed to improving the skills of employees through training and development and through nurturing a culture in which employees feel valued for their contribution and motivated to achieve their full potential.

Applicants for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitude and abilities.

This report was approved by the board on 31 March 2023 and signed on its behalf.



A J Crawshaw
Director

Ross Care Limited

Directors' Report For the Year Ended 30 June 2022

The directors present their report together with the audited financial statements for the period ended 30 June 2022.

Results and dividends

The result for the year, after taxation, amounted to £Nil (2021 - £4,000k).

During the year, dividends totalling £Nil were paid (2021 – £4,000k).

Directors

The directors who served during the year were:

M D Killick (resigned 20 May 2022)

P J Campling (resigned 8 February 2023)

The following directors were appointed after the year end:

A J Crawshaw (appointed 4 August 2022)

C J Atkins (appointed 8 February 2023)

L Davies (appointed 8 February 2023)

Financial instruments

The group uses financial instruments comprising cash, bank borrowings, loan notes, and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the group's operations. The vast majority of the group's business is conducted in £ Sterling. Where transactions are conducted in alternative currencies the risk attached to this will be assessed by the CFO, on an individual basis, and appropriate action taken.

The group's credit risk is primarily attributable to its UK trade debtors. Credit risk is managed by running credit checks on new customers and by monitoring payments against contractual agreements.

Going concern

In early 2023, the group finalised a new business plan with updated financial forecasts for more than 12 months from the date of approval of these financial statements. These forecasts show the group is expected to be able to meet its liabilities as they fall due, along with strong cash generation and a good level of headroom against the group's banking covenant tests, in both the planned and downside scenarios.

The Directors are confident of being able to trade for a period of at least 12 months from the date of approval of these financial statements and the Directors have therefore concluded that it is appropriate for the financial statements to be prepared on a going concern basis.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Qualifying third party indemnity provisions

The group has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

Matters covered in the strategic report

Some of the company's analysis of principal risks, business management and futures development of the business are set out in the strategic report.

Ross Care Limited

Directors' Report (continued) For the Year Ended 30 June 2022

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

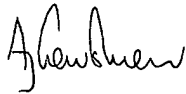
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 31 March 2023 and signed on its behalf.



A J Crawshaw
Director

Ross Care Limited

Directors' Responsibilities Statement For the Year Ended 30 June 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Ross Care Limited

Independent Auditor's Report to the Members of Ross Care Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its result 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.

We have audited the financial statements of Ross Care Limited ("the company") for the year ended 30 June 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Ross Care Limited

Independent Auditor's Report to the Members of Ross Care Limited (continued)

Other information

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

Other Companies Act 2006 report

In our opinion, based on the work undertaken in the course of the 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 has been prepared in accordance with applicable legal requirements.

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 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.

Ross Care Limited

Independent Auditor's Report to the Members of Ross Care Limited (continued)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:


- Discussions with management, regarding known or suspected instances of non-compliance with laws and regulations.
- Evaluation of controls designed to prevent and detect irregularities; and
- Assessing journal entries as part of our planned audit approach.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

DocuSigned by:

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James Newman (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Southampton
United Kingdom 31 March 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Ross Care Limited

Statement of Comprehensive Income For the Year Ended 30 June 2022

		30 June 2022 £000	17 month period ended 30 June 2021 £000
	Note		
Income from group undertakings	4	-	4,000
Profit before tax		-	4,000
Tax on profit		-	-
Profit for the financial year/period		-	4,000

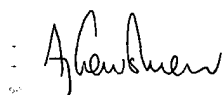
The notes on pages 13 to 19 form part of these financial statements.

Ross Care Limited
Registered number: 12439039

Statement of Financial Position
As at 30 June 2022

	Note	2022 £000	2021 £000
Fixed assets			
Investments	9	14,926	14,926
Total assets less current liabilities		14,926	14,926
Net assets		<u>14,926</u>	<u>14,926</u>
Capital and reserves			
Called up share capital	10	14,926	14,926
Profit and loss account	11	-	-
Total equity		<u>14,926</u>	<u>14,926</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 March 2023



A J Crawshaw
Director

The notes on pages 13 to 19 form part of these financial statements.

Ross Care Limited

Statement of Changes in Equity For the Year Ended 30 June 2022

	Called up share capital	Total equity
	£000	£000
At 1 July 2021	14,926	14,926
Comprehensive income for the year		
Profit for the year	-	-
Total comprehensive income for the year	-	-
Total transactions with owners	-	-
At 30 June 2022	14,926	14,926

Statement of Changes in Equity For the Period Ended 30 June 2021

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 3 February 2020	-	-	-
Comprehensive income for the period			
Profit for the period	-	4,000	4,000
Total comprehensive income for the period	-	4,000	4,000
Dividends	-	(4,000)	(4,000)
Shares issued during the period	14,926	-	14,926
Total transactions with owners	14,926	(4,000)	10,926
At 30 June 2021	14,926	-	14,926

The notes on pages 13 to 19 form part of these financial statements.

Ross Care Limited

Notes to the Financial Statements For the Year Ended 30 June 2022

1. General information

Ross Care Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The presentation and functional currency of these financial statements is GBP. Values are rounded to the nearest thousand.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Millbrook Healthcare Holdings as at 30 June 2022 and these financial statements may be obtained from Companies House.

2.3 Consolidated accounts

The company is exempt from the requirement to prepare and deliver group financial statements by virtue of section 400 of the Companies Act 2006 and accordingly the financial statements present information about the company as an individual and not about its group.

Ross Care Limited

Notes to the Financial Statements For the Year Ended 30 June 2022

2. Accounting policies (continued)

2.4 Going concern

In early 2023, the group finalised a new business plan with updated financial forecasts for more than 12 months from the date of approval of these financial statements. These forecasts show the group is expected to be able to meet its liabilities as they fall due, along with strong cash generation and a good level of headroom against the group's banking covenant tests, in both the planned and downside scenarios.

The Directors are confident of being able to trade for a period of at least 12 months from the date of approval of these financial statements and the Directors have therefore concluded that it is appropriate for the financial statements to be prepared on a going concern basis.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

Ross Care Limited

Notes to the Financial Statements For the Year Ended 30 June 2022

2. Accounting policies (continued)

2.6 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

2.7 Taxation

Tax is recognised in the statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparation of the financial statements the directors have made a number of significant judgements and estimates:

- Fixed assets

Determine whether there are indicators of impairment of the company's fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit. The viability and expected future performance of that unit.

Ross Care Limited

Notes to the Financial Statements For the Year Ended 30 June 2022

4. Operating profit

The operating profit is stated after charging:

	30 June 2022 £000	17 month period ended 30 June 2021 £000
Dividend received from group undertakings	-	(4,000)

Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements was £2k. This was borne by Ross Auto Engineering Limited.

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

5. Employees

The company has no employees other than the directors, who did not receive any remuneration (2021 -£Nil).

6. Directors' remuneration

No director received any emoluments from the company in the current year.

Directors' remuneration is borne by Millbrook Healthcare Limited.

7. Taxation

	30 June 2022 £000	17 month period ended 30 June 2021 £000
Corporation tax		
Current tax on profits for the year	-	-
Taxation on profit on ordinary activities	-	-

Ross Care Limited

Notes to the Financial Statements For the Year Ended 30 June 2022

7. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year is the same as (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 -19%). The differences are explained below:

	30 June 2022 £000	17 month period ended 30 June 2021 £000
Profit on ordinary activities before tax	-	4,000
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 -19%)	-	760
Effects of:		
Income not taxable	-	(760)
Total tax charge for the year/period	-	-

Factors that may affect future tax charges

Increases in the UK Corporation tax rate from 19% to 25% (19% effective from 1 April 2017, and 25% effective from 1 April 2023) have been substantively enacted. This will impact the company's future tax charge accordingly. The value of the deferred tax liability at the statement of financial position date has been calculated using the applicable rate when the liability is expected to be realised.

8. Dividends

	2022 £000	2021 £000
Dividends paid in the year	-	4,000

Ross Care Limited

Notes to the Financial Statements For the Year Ended 30 June 2022

9. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 July 2021	14,926
Additions	-
At 30 June 2022	<u>14,926</u>
Net book value	
At 30 June 2022	<u><u>14,926</u></u>
At 30 June 2021	<u><u>14,926</u></u>

The following was a subsidiary undertaking of the company:

Direct subsidiary undertakings

Name	Principal activity	Class of shares	Holding
Ross Care Holdings Limited	Holding Company	Ordinary	100%

Indirect Subsidiary undertakings

Name	Principal activity	Class of shares	Holding
Ross Auto Engineering Limited	Healthcare Services	Ordinary	100%

10. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
14,925,501- ordinary shares of £1 each	<u>14,925,501</u>	<u>14,925,501</u>

All the ordinary shares carry equal participation in assets, rights to dividends and voting powers.

Ross Care Limited

Notes to the Financial Statements For the Year Ended 30 June 2022

11. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

12. Contingent liabilities

The company provided security over its assets in respect of the bank borrowings in Millbrook Healthcare Bidco Ltd.

13. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

14. Post balance sheet events

There have been no significant events affecting the company since the year end.

15. Controlling party

The company's immediate parent undertaking was Millbrook Healthcare Ltd.

The largest and smallest group in which the results of the company were consolidated were that headed by Millbrook Healthcare Holdings Limited, incorporated in the UK. The consolidated accounts for this company are available to the public within the public domain.

The ultimate controlling party were funds advised by Cairngorm Capital Partners LLP.