



**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**31 MARCH 2022**

**Care Plus Staffordshire Limited  
Acton Court, Acton Gate, Stafford, ST18 9AP**

**Registration No. 30948R**

*A member of The Housing Plus Group*

## **CONTENTS**

|   |           |
|---|-----------|
| <b>BOARD MEMBERS, EXECUTIVE OFFICERS, AUDITORS, ADVISORS AND BANKERS .....</b>              | <b>1</b>  |
| <b>REPORT OF THE BOARD .....</b>  | <b>2</b>  |
| <b>INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARE PLUS STAFFORDSHIRE LIMITED .....</b> | <b>5</b>  |
| <b>STATEMENT OF COMPREHENSIVE INCOME .....</b>  | <b>10</b> |
| <b>STATEMENT OF CHANGES IN EQUITY .....</b>   | <b>10</b> |
| <b>STATEMENT OF FINANCIAL POSITION .....</b>  | <b>11</b> |
| <b>NOTES TO THE FINANCIAL STATEMENTS.....</b>   | <b>12</b> |

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Care Plus Staffordshire Limited

31 March 2022

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**BOARD MEMBERS, EXECUTIVE OFFICERS, AUDITORS, ADVISORS AND BANKERS**

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|---|--|
| <b>Registered Office</b>                                      | Acton Court,<br>Acton Gate, Stafford,<br>ST18 9AP  |
| <b>Care Plus Staffordshire Limited</b>                        | Co-operative & Community Benefit Society<br>No: 30948R<br>Registered by the Care Quality Commission<br>No: 2000032662                      |
| <b>Internal Auditors</b>                                      | <b>Beever and Struthers</b><br>20 Colmore Circus Queensway,<br>Birmingham, B4 6AT  |
| <b>External Independent Auditors</b>                          | <b>KPMG LLP</b><br>One Snowhill, Snowhill Queensway,<br>Birmingham, B4 6GH   |
| <b>Legal Advisors</b>   | <b>Anthony Collins, LLP</b><br>134 Edmund Street<br>Birmingham, B3 2ES<br><b>Capsticks, LLP</b><br>35 Newhall Street<br>Birmingham, B3 3PU |
| <b>Bankers</b>  | <b>Barclays Bank PLC,</b><br>One Snowhill,<br>Birmingham, B3 2WN   |
| <b>Board of Management</b>                                    | G Betts CBE (Chair)<br>P Price<br>A Dhillon<br>J Fillary<br>J Taylor<br>S Boden (Executive Director)                                       |
| <b>Chief Executive</b>  | S Boden  |
| <b>Executive Directors</b>                                    |  |
| Finance Director and Deputy<br>Chief Executive                | P Ingle – (Resigned 31 <sup>st</sup> July 2021)  |
| Director of Care and Support<br>Executive Director of Finance | L Clarke<br>Victoria Whibley (Appointed 1 <sup>st</sup> August 2021)   |
| <b>Company Secretary</b>                                      | I Molyneux   |

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## **REPORT OF THE BOARD**

### **Principal activities**

Care Plus Staffordshire Limited ('Care Plus' 'the Society') was registered as a Co-operative and Community Benefit Society exempt charity on 20 April 2010 (30948R). Its principal activity is the provision of care together with appropriate supporting services. Care Plus is registered with the Care Quality Commission ('CQC'). CQC is the independent regulator of all health and adult social care in England and monitors the activities of Care Plus to ensure that it complies with their standards of quality and safety.

Care Plus is a subsidiary of the ultimate parent The Housing Plus Group Limited ('Housing Plus'). Housing Plus is a holding company which provides central services for Care Plus and other group members such as finance, human resources, information technology, development, legal services, health and safety advice and corporate publicity.

Housing Plus has prepared a Group Strategic Report to accompany the consolidated financial statements.

### **Business & financial review**

Turnover increased in this year by £1.0m compared with the previous year, mainly from full year of The Sandford ownership. In 2021-22 Care Plus has achieved an operating surplus of £133k prior to the accounting adjustments for depreciation and amortisation of the goodwill relating to The Sandford purchase. After the goodwill amortisation the business made an operating loss of £232k (2020-21 £198k surplus).

Following a risk assessment undertaken at The Sandford care home in this year, various compliance works were identified and undertaken. To minimise the risk and disruption whilst this was carried out, occupancy at the home was restricted. Supply delays meant that this work has taken longer than first anticipated. This had a financial impact, both for the cost of the works and the lower occupancy rates. The value of the home has not diminished, and it is still viable business with waiting lists and ongoing enquiries for new residents once the works are completed.

### **Board Members and Executive Officers**

Care Plus is governed by a Board of Management (the Board) composed of five (2021: five) non-executive members and one executive member. It is managed by a senior management team headed by the Chief Executive and supported by the Director of Care and Support and other group Executive Team members.

Five members of the Board (not co-optees) and Housing Plus hold one fully paid share of £1 in Care Plus. The Executive Officers of Care Plus hold no interest in Care Plus share capital and, although they do not have legal status of Directors they act as Executive Officers within the authority delegated to them by the Board and are termed



### **REPORT OF THE BOARD (continued)**

Directors. Housing Plus has purchased Directors' and Officers' Liability Insurance for the Board Members, Executive Officers and staff of the Group and Care Plus.

The Board and Executive Officers are remunerated by the parent company, not specifically in respect of Care Plus duties.

### **Going Concern**

After reviewing the budget for 2022/23 and the long term financial plan based on normal business planning and control procedures and having received confirmation of continued support from Homes Plus through issuing appropriate levels of specialist supported housing activity and the continuation of the intragroup loan facility, the members of the Board have a reasonable expectation, taking account of severe but plausible downsides, such as higher than forecast inflation, higher than forecast Bank of England base rates or other adverse operational issues that Care Plus has adequate resources to continue in operational existence for the foreseeable future. Any activity streams that are underperforming are continually reviewed and any necessary actions or decisions regarding the future of those services are taken. During 2021/22 one of these business streams was closed.

The ongoing impact of The Sandford's fire risk assessment works and occupancy levels has been considered by the Directors, who have confirmed that given the support of Homes Plus and the action taken to minimise risk and to protect, staff, residents, customers and the business as a whole, this does not pose a material uncertainty that would cast doubt on the Company's ability to continue as a going concern. The board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

### **Statement of directors' responsibilities in respect of the financial statements**

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

Co-operative and Community Benefit Society 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 UK Accounting Standards, FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the Society and of the income and expenditure the Society for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and 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
- assess the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

**REPORT OF THE BOARD (continued)**

- use the going concern basis of accounting unless they either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Society and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Society's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Provision of information to auditors**

The Care Plus Board Members who held office at the date of approval of this Report of the Board confirm that, so far as they are each aware, there is no relevant audit information of which Care Plus auditors are unaware; the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that Care Plus auditors are aware of that information.

**Independent auditors**

A resolution to appoint External Auditors will be proposed at the next Annual General Meeting.

This Report of the Board was approved by the Board on 20 July 2022 and signed on its behalf by:



**G Betts**  
Chair



**I Molyneux**  
Company Secretary



**S Boden**  
Board Member



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARE PLUS STAFFORDSHIRE LIMITED**

### **Opinion**

We have audited the financial statements of Care Plus Staffordshire Limited ("the Society") for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the state of the Society's affairs as at 31 March 2022 and of the income and expenditure of the Society for the year then ended; and
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Society in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Society or to cease its operations, and as they have concluded that the Society's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Society's business model and analysed how those risks might affect the Society's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Society's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Society will continue in operation.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARE PLUS STAFFORDSHIRE LIMITED (continued)**

**Fraud and breaches of laws and regulations – ability to detect**

*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit and risk committee as to the Society’s high-level policies and procedures to prevent and detect fraud and the Society’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit and risk committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Society management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue is derived from intercompany transactions or external revenue derived from routine charges with limited management incentive and opportunity to fraudulently recognise revenue.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARE PLUS STAFFORDSHIRE LIMITED (continued)**

Firstly, the Society is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Society is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment law and certain aspects of Society legislation recognising the nature of the Society's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Other information**

The directors are responsible for the other information, which comprises the Report of the Board. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

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

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARE PLUS STAFFORDSHIRE LIMITED (continued)**

- the Society has not kept proper books of account; or
- the Society has not maintained a satisfactory system of control over its transactions; or
- the financial statements are not in agreement with the Society's books of account; or
- we have not received all the information and explanations we need for our audit.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 3 the Society's directors are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Society'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 they either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Society in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society those matters we are required to state to it 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 Society for our audit work, for this report, or for the opinions we have formed.




Care Plus Staffordshire Limited

31 March 2022

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARE PLUS  
STAFFORDSHIRE LIMITED (continued)**



**Sarah Brown**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

15 September 2022

## STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2022

|   | Note | Year Ended<br>31 March<br>2022 | Year Ended<br>31 March<br>2021 |
|---|------|--------------------------------|--------------------------------|
|   |      | £                              | £                              |
| Turnover  | 3    | 7,273,533                      | 6,313,540                      |
| Operating expenditure                                 | 3    | (7,505,174)                    | (6,115,791)                    |
| <b>Operating (Loss)/Surplus</b>                       |      | <b>(231,641)</b>               | <b>197,749</b>                 |
| Interest receivable                                   | 4    | -                              | 10                             |
| Interest payable and financing costs                  | 5    | (64,257)                       | (29,720)                       |
| <b>Surplus on ordinary activities before taxation</b> | 6    | <b>(295,898)</b>               | <b>168,039</b>                 |
| Tax on surplus on ordinary activities                 | 7    | -                              | -                              |
| <b>Total comprehensive income for the year</b>        |      | <b>(295,898)</b>               | <b>168,039</b>                 |

The Society's operating surplus disclosed above is derived from continuing activities.

## STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2022

|   | 2022                 | 2021                 |
|---|----------------------|----------------------|
|   | Capital and reserves | Capital and reserves |
|   | £                    | £                    |
| <b>Balance at 1 April</b>                                   | <b>1,145,638</b>     | <b>977,599</b>       |
| Total (Loss)/Surplus from Statement of Comprehensive Income | (295,898)            | 168,039              |
| <b>Balance at 31 March</b>                                  | <b>849,740</b>       | <b>1,145,638</b>     |

The accompanying notes on pages 12 to 22 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION**  
**as at 31 March 2022**

|  | Note | As at<br>31 March<br>2022 | As at<br>31 March<br>2021 |
|--|------|---------------------------|---------------------------|
|  |      | £                         | £                         |
| <b>Fixed assets</b>  |      |                           |                           |
| Intangible assets  | 10   | 1,037,752                 | 1,383,354                 |
| Tangible assets  | 11   | 1,348,698                 | 1,115,339                 |
|  |      | <b>2,386,450</b>          | <b>2,498,693</b>          |
| <b>Current assets</b>  |      |                           |                           |
| Debtors  | 12   | 408,724                   | 532,400                   |
| Cash at bank and in hand                                       |      | 760,439                   | 758,137                   |
|  |      | <b>1,169,163</b>          | <b>1,290,537</b>          |
| <b>Creditors: Amounts falling due within one year</b>          | 13   | (705,873)                 | (643,592)                 |
| <b>Net current assets</b>                                      |      | <b>463,290</b>            | <b>646,945</b>            |
| <b>Total assets less current liabilities</b>                   |      | <b>2,849,740</b>          | <b>3,145,638</b>          |
| <b>Creditors: Amounts falling due after more than one year</b> | 14   | (2,000,000)               | (2,000,000)               |
| <b>Total Net assets</b>  |      | <b>849,740</b>            | <b>1,145,638</b>          |
| <b>Capital and reserves</b>                                    |      |                           |                           |
| Income and expenditure reserve                                 |      | 849,740                   | 1,145,638                 |
|  |      | <b>849,740</b>            | <b>1,145,638</b>          |

The accompanying notes on pages 12 to 22 form part of these financial statements.

The financial statements were approved by the Board and authorised for issue on 20 July 2022 and are signed on its behalf by:



**G Betts**  
Chair



**I Molyneux**  
Company Secretary



**S Boden**  
Board Member



## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. Legal status**

Care Plus is an exempt charity registered under the Co-operative and Community Benefit Societies Act 2014 (30948R), and it is also registered with Care Quality Commission (CQC) under Care Standards Act 2000 from the 16<sup>th</sup> April 2010 (2000032662). It is a public benefit entity as defined by FRS102.

### **2. Accounting policies**

#### **a) Basis of accounting**

The accounts have been prepared in accordance with applicable accounting standards under the historical cost accounting rules and on a going concern basis.

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 56 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its fellow subsidiary company, Homes Plus to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the company's fellow subsidiary company, Homes Plus not seeking repayment of the amounts currently due to the group, which at 31 March 2022 amounted to £2m. Homes Plus has indicated that it does not intend to seek repayment of these amounts ahead of those included within the forecast. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 56 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### **b) FRS 102 exemptions**

The charity is a wholly owned subsidiary. In preparing separate financials statements the Association has taken advantage of the disclosure exemption in FRS 102 and has not prepared a cash flow statement

A summary of the key accounting policies, which have been applied consistently, is set out below.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**c) Turnover**

Turnover represents income from care services and intra-group services. Turnover in the financial statements notes are analysed to identify social housing activities and non social housing activities.

Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met and receipt is probable. Income from charges for support services, service charges and care services are recognised when the service has been performed and expenditure incurred.

**d) Value Added Tax (VAT)**

The Society's main income stream, being care income, is exempt for value added tax (VAT) purposes. The financial statements include VAT to the extent that it is suffered by the company and not recoverable from HM Revenue and Customs (HMRC). The company is able to reclaim VAT in line with a Partial Exemption Special Method agreed with HMRC..

VAT reclaimed under the partial exemption method is calculated using a sectorised approach, allowing the different activities of the company to be assessed separately for recovery based on the VAT treatment of the supply.

The balance of VAT payable to or recoverable at the year-end is included in the financial statements as a current liability or asset.

**e) Pensions**

The Society participates in the National Employment Savings Trust defined contribution scheme. The assets of the Fund are kept separately from those of the Society.

**f) Cash and cash equivalents**

Cash and cash equivalents consists of cash at bank, cash in hand, deposits and short term investments with an original maturity of three months or less.

**g) Property, plant and equipment (PPE) and depreciation**

These are stated at cost less accumulated depreciation. The cost includes costs of acquiring assets and other directly attributable costs.



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

Property, plant and equipment is depreciated on a straight-line basis over the useful economic life of the asset as follows:

|                                  |          |
|----------------------------------|----------|
| Office structure                 | 60 years |
| Care Home                        | 60 years |
| Furniture & Equipment            | 5 years  |
| Photocopiers                     | 3 years  |
| IT Mainframe                     | 4 years  |
| PCs and other                    | 3 years  |
| Software Warranties and Licences | 5 years  |

### **h) Accounting for grants**

Grants are receivable from local authorities and other organisations. Any grants received in respect of revenue expenditure are recognised in the Statement of Comprehensive Income when entitlement and performance conditions are met.

### **i) Goodwill**

Goodwill represents the excess of the cost of a business combination over the fair value of the net identifiable assets at the date of acquisition.

Housing Plus Group recognises intangible assets from goodwill if the intangible meets all of the following three criteria:

- meets the recognition criteria per FRS 102.18.4; and
- are separable; and
- arise from contractual or other legal rights.

Goodwill on acquisitions is included in 'intangible assets' and is carried at cost less accumulated amortisation and accumulated impairment losses.

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be in line with any financing made available to acquire the business or business combination. The estimated useful lives are as follows:

- The Sandford Care Home – 4.5 years

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with FRS 102 Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.



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

### **j) Financial instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability of another entity. The Society accounts for its financial instruments using sections 11 'Basic Financial Instruments' and 12 'Other Financial Instruments Issues' of FRS102.

Basic financial instruments are initially recognised at transaction price and in subsequent years at amortised cost. Financial instruments that do not meet the criteria of basic financial instruments are initially recognised at fair value and in subsequent years are measured at fair value at the end of each reporting period with any changes in fair value being recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when the rights to the cash flows from the asset expire or are settled. Financial liabilities are derecognised when the obligation is discharged, cancelled or expired. Any difference between the consideration paid or received and the amounts derecognised are recognised in the Statement of Comprehensive Income.

The Society's financial instruments are all currently classified as basic.

### **k) Taxation**

The Society is an exempt charity and thus it is exempt from taxation and gains falling within Chapter 3 of Part II to the Corporation Tax Act 2010 or section 256 Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### **l) Cashflow**

A cash flow statement is not included in these financial statements because the Society is a wholly controlled subsidiary of The Housing Plus Group Limited. The cash flows of the Society are included in the consolidated cash flow statement of Housing Plus which is publicly available.

The Society has taken advantage of the exemption as set out in paragraph 1.12(b) of FRS102.

### **m) Key estimates and judgements**

The preparation of the financial statements requires the use of certain accounting estimates and judgements concerning the future. The fair value of the company's care home is estimated at £1.32m and associated goodwill of £1.04m. The business was originally purchased in October 2020 for £2.5m, with the structure being depreciated over 60 years and the goodwill amortising over the life of the intra-group loan of 4.5 years. There are no other estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****3. Turnover, operating expenditure and operating surplus**

|                                    | Year Ended<br>31 March<br>2022 | Year Ended<br>31 March<br>2021 |
|------------------------------------|--------------------------------|--------------------------------|
|                                    | £                              | £                              |
| <b>Income and expenditure</b>      |                                |                                |
| External activities                | 3,859,644                      | 3,341,707                      |
| Intra group                        | 3,219,845                      | 2,813,031                      |
| Other income                       | 194,044                        | 158,802                        |
| <b>Turnover</b>                    | <b>7,273,533</b>               | <b>6,313,540</b>               |
| External activities                | (3,859,412)                    | (3,459,348)                    |
| Group activities                   | (2,374,076)                    | (1,836,923)                    |
| Other activities                   | (312,111)                      | (120,457)                      |
| Charges for supported services     | (596,392)                      | (526,339)                      |
| Depreciation                       | (17,581)                       | (6,078)                        |
| Goodwill amortisation              | (345,602)                      | (166,646)                      |
| <b>Operating expenditure</b>       | <b>(7,505,174)</b>             | <b>(6,115,791)</b>             |
| <b>Operating surplus/(deficit)</b> | <b>(231,641)</b>               | <b>197,749</b>                 |

**4. Interest receivable**

|                            | Year Ended<br>31 March<br>2022 | Year Ended<br>31 March<br>2021 |
|----------------------------|--------------------------------|--------------------------------|
|                            | £                              | £                              |
| <b>Interest receivable</b> | <b>-</b>                       | <b>10</b>                      |

**5. Interest payable**

|  | Year Ended<br>31 March<br>2022 | Year Ended<br>31 March<br>2021 |
|--|--------------------------------|--------------------------------|
|  | £                              | £                              |
| <b>Interest payable on Intra Group loans</b> | <b>64,257</b>                  | <b>29,720</b>                  |



**NOTES TO THE FINANCIAL STATEMENTS (continued)****6. Surplus on ordinary activities before taxation**

| This is arrived at after charging:                             | Year Ended<br>31 March<br>2022 | Year<br>Ended<br>31 March<br>2021 |
|--|--------------------------------|-----------------------------------|
|  | £                              | £                                 |
| <b>Depreciation:</b>   |                                |                                   |
| Tangible assets  | 17,581                         | 6,078                             |
| <b>Amortisation of goodwill</b>                                | 345,602                        | 166,646                           |
| <b>Auditors' remuneration<br/>(incl. expenses, excl. VAT):</b> |                                |                                   |
| Fees for the audit of the financial statements                 | 9,000                          | 9,000                             |

**7. Tax on surplus on ordinary activities**

The Society is an exempt charity. There is no corporate tax charge for the year (2021: nil)

**8. Employees**

The average number of persons employed during the year expressed as full-time equivalents (37.5 hours) was:

|   | Year Ended<br>31 March 2022 | Restated<br>Year Ended<br>31 March 2021 |
|---|-----------------------------|---|
|   | Number                      | Number                                  |
| Administration and management<br>(paid monthly)             | 89                          | 56                                      |
| Housing support and care<br>(wardens, caretakers, cleaners) | 104                         | 101                                     |
| <b>Total</b>  | <b>193</b>                  | <b>157</b>                              |

The figures for 2021 have been restated following a review of the allocation of full time equivalents employees to ensure consistency with all other Group companies.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****Employee costs:**

|                       | Year Ended<br>31 March 2022 | Year Ended<br>31 March<br>2021 |
|-----------------------|-----------------------------|--------------------------------|
|                       | £                           | £                              |
| Wages and salaries    | 4,528,999                   | 3,658,895                      |
| Social security costs | 223,811                     | 183,996                        |
| Other pension costs   | 107,431                     | 76,107                         |
| <b>Total</b>          | <b>4,860,240</b>            | <b>3,918,998</b>               |

There were no staff members earning above £60,000 (2021:one).

**9. Directors' emoluments**

The Executive Directors did not receive any emoluments in respect of their services to the Society (2021: £nil) and none of the Executive Directors were a member of the Society's pension scheme (2021: none).

**10. Intangible assets - Goodwill**

|                                 | Goodwill<br>As at<br>31 March 2022 | Goodwill<br>As at<br>31 March 2021 |
|---------------------------------|------------------------------------|------------------------------------|
|                                 | £                                  | £                                  |
| <b>COST</b>                     |                                    |                                    |
| At 1 April                      | 1,550,000                          | -                                  |
| Additions                       | -                                  | 1,550,000                          |
| <b>At 31 March</b>              | <b>1,550,000</b>                   | <b>1,550,000</b>                   |
| <b>Accumulated amortisation</b> |                                    |                                    |
| At 1 April                      | (166,646)                          | -                                  |
| Amortisation charge for year    | (345,602)                          | (166,646)                          |
| <b>At 31 March</b>              | <b>(512,248)</b>                   | <b>(166,646)</b>                   |
| <b>Net book value</b>           |                                    |                                    |
| At 31 March                     | <b>1,037,752</b>                   | <b>1,383,354</b>                   |
| At 1 April                      | <b>1,383,354</b>                   | -                                  |



**NOTES TO THE FINANCIAL STATEMENTS (continued)****11. Property, plant and equipment**

|  | Year ended 31 March 2022 |                                 |              |                  | Total            |
|--|--------------------------|---------------------------------|--------------|------------------|------------------|
|  | Furniture & Equipment    | Computer Equipment & Telephones | Software     | Land & Buildings |                  |
|  | £                        | £                               | £            | £                | £                |
| <b>COST</b>                                      |                          |                                 |              |                  |                  |
| At 1 April                                       | 2,579                    | 22,552                          | 740          | 1,121,417        | 1,147,288        |
| Additions  | 27,831                   | -                               | -            | 223,109          | 250,940          |
| <b>At 31 March</b>                               | <b>30,410</b>            | <b>22,552</b>                   | <b>740</b>   | <b>1,344,526</b> | <b>1,398,228</b> |
| <b>Accumulated depreciation &amp; impairment</b> |                          |                                 |              |                  |                  |
| 1 April  | (2,579)                  | (22,552)                        | (740)        | (6,078)          | (31,949)         |
| Depreciation charge for year                     | (1,430)                  | -                               | -            | (16,151)         | (17,581)         |
| <b>At 31 March</b>                               | <b>(4,009)</b>           | <b>(22,552)</b>                 | <b>(740)</b> | <b>(22,229)</b>  | <b>(49,530)</b>  |
| <b>Net book value</b>                            |                          |                                 |              |                  |                  |
| At 31 March                                      | 26,402                   | -                               | -            | 1,322,297        | 1,348,698        |
| At 1 April                                       | -                        | -                               | -            | 1,115,339        | 1,115,339        |

**12. Debtors**

|  | As at          | As at          |
|--|----------------|----------------|
|  | 31 March 2022  | 31 March 2021  |
|  | £              | £              |
| <b>Amount falling due within one year</b>  |                |                |
| Trade debtors                              | 235,643        | 336,708        |
| Less: Provision for bad and doubtful debts | (2,264)        | (39,726)       |
|  | 233,380        | 296,982        |
| Amounts due from group undertakings        | -              | 52,619         |
| Other debtors                              | 159,464        | 162,986        |
| Prepayments & accrued Income               | 15,881         | 19,813         |
| <b>Total debtors</b>                       | <b>408,724</b> | <b>532,400</b> |

**NOTES TO THE FINANCIAL STATEMENTS (continued)****13. Creditors**

|  | As at<br>31 March<br>2022 | As at<br>31 March<br>2021 |
|--|---------------------------|---------------------------|
|  | £                         | £                         |
| <b>Amounts falling due within one year</b> |                           |                           |
| Trade creditors                            | 88,694                    | 44,149                    |
| Amounts owed to group undertakings         | 10,216                    | 121,878                   |
| Tax and social security                    | 2,487                     | 3,001                     |
| Employee creditors                         | 97,958                    | 14,787                    |
| Accruals and deferred income               | 506,520                   | 459,777                   |
| <b>Total creditors due within one year</b> | <b>705,873</b>            | <b>643,592</b>            |

**14. Creditors: amounts falling due after more than one year**

|   | Year Ended<br>31 March<br>2022 | Year Ended<br>31 March<br>2021 |
|---|--------------------------------|--------------------------------|
|   | £                              | £                              |
| <b>Loans and borrowing - intragroup</b> | <b>2,000,000</b>               | <b>2,000,000</b>               |

**Maturity of debt**

|   | Year Ended<br>31 March 2022 | Year Ended<br>31 March 2021 |
|---|-----------------------------|-----------------------------|
|   | £                           | £                           |
| In more than two years but not more than five years | 2,000,000                   | 2,000,000                   |
|   | <b>2,000,000</b>            | <b>2,000,000</b>            |



**NOTES TO THE FINANCIAL STATEMENTS (continued)****15. Financial instruments**

|   | Note | As at<br>31 March<br>2022 | As at<br>31 March<br>2021 |
|---|------|---------------------------|---------------------------|
|   |      | £                         | £                         |
| <b>Financial assets that are debt instruments measured at historic cost</b> |      |                           |                           |
| Cash and cash equivalents   |      | 760,439                   | 758,138                   |
| Trade debtors   | 12   | 235,643                   | 336,708                   |
| Amounts owed by group undertakings  | 12   | -                         | 52,619                    |
| Other debtors   | 12   | 159,464                   | 162,986                   |
| <b>Total financial assets</b>   |      | <b>1,155,546</b>          | <b>1,310,451</b>          |
| <b>Financial liabilities measured at historic cost</b>                      |      |                           |                           |
| Trade creditors   | 13   | (88,694)                  | (44,149)                  |
| Accruals and deferred income  | 13   | (502,520)                 | (459,777)                 |
| Amounts owed to group undertakings  | 13   | (10,216)                  | (121,878)                 |
| Employee creditors  | 13   | (97,958)                  | (14,787)                  |
| <b>Financial liabilities measured at amortised cost</b>                     |      |                           |                           |
| Intra group loans   | 14   | (2,000,000)               | (2,000,000)               |
| <b>Total financial liabilities</b>  |      | <b>(2,703,387)</b>        | <b>(2,640,591)</b>        |

**16. Called up non-equity share capital**

5 members of the Board hold one non-equity share of £1 each and one equity share of £1 is held by the Housing Plus Group Board. These shares carry the right to vote at General Meetings on the basis of one share one vote. The shares are not transferable, non-redeemable and carry no right to receive income or capital payments.

|  | As at<br>31 March 2022 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| Number of shareholders as at 1 April         | 6                      | 5                      |
| New share issued                             | -                      | 1                      |
| <b>Number of shareholders as at 31 March</b> | <b>6</b>               | <b>6</b>               |

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

### **17. Pensions**

At 31 March 2022 100 employees of Care Plus (2021:159) were members of the National Employment Saving Trust (NEST) pension scheme. The scheme is a defined contribution scheme managed by Tata Consultancy Services (TCS), part of the Tata Group and a top ten global IT services, business solutions and outsourcing organisation.

It was set up to facilitate automatic enrolment as part of the government's workplace pension reforms under the Pensions Act 2008. Due to its public service obligation, any UK employer can use NEST to meet its new workplace duties as set out in the Pensions Act 2008. Members who are automatically enrolled into NEST are put into a NEST Retirement Date Fund. The NEST Retirement Date Funds are managed according to the life stage of members in them.

The arrangement with NEST is to provide Scheme with Care Plus contribution rates of 1%. Each NEST Retirement Date Fund operates as a fund of building block funds and has an asset allocation appropriate to its target date to manage the risk profile of each fund.

The Sandford has 29 employees who also member of the NEST pension scheme.

### **18. Related party transactions**

The company has taken advantage of the exemption by S33.1A of FRS102 not to disclose related party transactions with other group companies.

### **19. Group companies**

The ultimate parent undertaking and controlling party is The Housing Plus Group Limited, a registered social landlord (Registered Co-operative and Community Benefit Society No. 30224R). The consolidated financial statements of The Housing Plus Group Limited are available from the Company Secretary, The Housing Plus Group Limited, Acton Court, Acton Gate, Stafford, ST18 9AP.