Company Registration No. 07075337 (England and Wales)

HORIZON HOMECARE (SOUTHERN) LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2020

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HORIZON HOMECARE (SOUTHERN) LIMITED

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HORIZON HOMECARE (SOUTHERN) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 NOVEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Non-current assets					
Intangible assets	3		-		10,000
Property, plant and equipment	4		40,743		39,725
			40,743		49,725
Current assets					
Inventories		1,750		890	
Trade and other receivables	5	795,382		438,330	
Cash and cash equivalents		581,283		302,437	
		1,378,415		741,657	
Current liabilities	6	(554,330)		(386,275)	
Net current assets			824,085		355,382
Total assets less current liabilities			864,828		405,107
Non-current liabilities	7		(1,116)		(6,321)
Provisions for liabilities					
Deferred tax liability	8	2,328		2,073	
			(2,328)		(2,073)
Net assets			861,384		396,713
Equity					
Called up share capital	10		100		100
Retained earnings	11		861,284		396,613
Total equity			861,384		396,713

The director of the company has elected not to include a copy of the income statement within the financial statements.

For the financial year ended 30 November 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges her responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

HORIZON HOMECARE (SOUTHERN) LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 NOVEMBER 2020

The financial statements were approved and signed by the director and authorised for issue on 26 August 2021

Ms K Rickman
Director

Company Registration No. 07075337

1 Accounting policies

Company information

Horizon Homecare (Southern) Limited is a private company limited by shares incorporated in England and Wales. The registered office and principal place of business is 386a Ashley Road, Poole, Dorset, BH14 0AA.

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 a mounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Business combinations

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.

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 Accounting policies **(Continued)**

1.3 Going concern

The directors have adopted the going concern basis in preparing these accounts, after assessing the principal risks and having considered the impact of a severe downside scenario for COVID-19. The directors considered the impact of the current COVID-19 environment on the business for the next 12 months and in the longer term. Whilst the situation evolves daily, making scenario forecasting difficult, the directors have considered a number of impacts on fee income, profitability and cash flow. They have assumed that due to the nature of the trade of the business, with residential care services being an essential supply to many private and Local Authority clients, business operations will continue into the future, with the requirement for such services likely to increase rather than contract. Whilst the biggest risk faced would be a significant reduction in occupancy resulting from COVID-19, due to the nature of the trade there is expected to be a continued regenerating income stream going forward and any consequential effect would therefore likely manifest itself primarily in a cash flow timing issue as opposed to a significantly detrimental absolute impact on company profitability. However, the company has taken advantage of Government financial support available to enable it to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements. The directors believe from their regular review of the company's financial position and performance that the company is well placed to manage its financing and business risks satisfactorily and they therefore consider it appropriate to adopt the going concern basis in preparing these accounts.

1.4 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the supply of care services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where payments are received from customers in advance of services provided the amounts are recorded as deferred income and included as part of payables due within one year.

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

1 Accounting policies **(Continued)**

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Plant and machinery	25% reducing balance
Fixtures and fittings	25% reducing balance
Motor vehicles	25% reducing balance

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 credited or charged to profit or loss.

1.7 Impairment of non-current assets

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

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.

1.8 Inventories

Inventories are calculated and stated at the lower of cost and estimated selling price less costs to complete and sell .

Cost is calculated using the weighted average method.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.10 Financial instruments

The company 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 company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 trade and other receivables 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.

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Equity instruments

Equity instruments issued by the company 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 company.

1.12 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, 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 when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

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

1.15 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position 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.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

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

	2020 Number	2019 Number
Total	119	127

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 December 2019 and 30 November 2020	100,000
Amortisation and impairment	
At 1 December 2019	90,000
Amortisation charged for the year	10,000
At 30 November 2020	100,000
Carrying amount	
At 30 November 2020	-
At 30 November 2019	10,000

4 Property, plant and equipment

	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 December 2019	16,983	29,923	33,540	80,446
Additions	-	11,289	5,270	16,559
Disposals	-	-	(2,200)	(2,200)
At 30 November 2020	16,983	41,212	36,610	94,805
Depreciation and impairment				
At 1 December 2019	14,398	17,038	9,285	40,721
Depreciation charged in the year	647	6,191	6,941	13,779
Eliminated in respect of disposals	-	-	(438)	(438)
At 30 November 2020	15,045	23,229	15,788	54,062
Carrying amount				
At 30 November 2020	1,938	17,983	20,822	40,743
At 30 November 2019	2,585	12,885	24,255	39,725

5 Trade and other receivables

	2020	2019
Amounts falling due within one year:	£	£
Trade receivables	621,272	316,095
Other receivables	65,374	10,191
Prepayments and accrued income	108,736	112,044
	795,382	438,330

6 Current liabilities

	2020	2019
	£	£
Obligations under finance leases	5,205	6,526
Trade payables	58,524	52,120
Corporation tax	134,887	66,267
Other taxation and social security	67,012	59,759
Other payables	20,781	-
Accruals and deferred income	267,921	201,603
	554,330	386,275

The obligations under finance leases are secured against motor vehicles with a carrying value of £14,647 (2019 - £19,530).

7 Non-current liabilities

	Notes	2020 £	2019 £
Obligations under finance leases		1,116	6,321

The obligations under finance leases are secured against motor vehicles with a carrying value of £14,647 (2019 - £19,530).

8 Deferred taxation

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

Balances:	Liabilities 2020 £	Liabilities 2019 £
Accelerated capital allowances	2,328	2,073

Movements in the year:	2020 £
Liability at 1 December 2019	2,073
Charge to profit or loss	255
Liability at 30 November 2020	2,328

Of the deferred tax liability set out above, £1,276 is set to reverse within 12 months and relates to accelerated capital allowances.

9 Retirement benefit schemes

Defined contribution schemes	2020 £	2019 £
Charge to profit or loss in respect of defined contribution schemes	51,714	50,787

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

10 Called up share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100

10 Called up share capital **(Continued)**

Ordinary shares carry voting rights but have no right to fixed income or fixed repayment of capital.

11 Reserves

Retained earnings

Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

12 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2020	2019
	£	£
Within one year	34,723	35,108
Between two and five years	16,785	51,509
	51,508	86,617

13 Events after the reporting date

Following a review of conditions which existed at the balance sheet date, the impacts of COVID-19 have not been identified as giving rise to any adjusting post balance sheet events. The main impacts of COVID-19 are forward looking, therefore this has been reviewed in more detail in the going concern note in note 1.3 to these accounts.

14 Related party transactions

Remuneration of key management personnel

	2020	2019
	£	£
Aggregate compensation	129,383	142,035

	2020	2019
Amounts due to related parties	£	£
Key management personnel	2	-
	2	-

14 Related party transactions **(Continued)**

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	**2020** £	**2019** £
Other related parties	52,128	-
	52,128	-

15 Directors' transactions

Dividends totalling £81,950 (2019 - £123,835) were paid in the year in respect of shares held by the company's directors.

As at 30 November 2020, a director was owed £2 (2019 - £nil) by the company. The loan is interest free and repayable on demand.

16 Parent company

The ultimate controlling party is the director, Ms K Rickman, by virtue of her 100% holding of the issued share capital in the company.