

PITTMAN (HOLDINGS) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

PITTMAN (HOLDINGS) LIMITED

COMPANY INFORMATION

Director	S J Pittman
Registered number	07889288
Registered office	c/o CWM 1a High Street Epsom Surrey KT19 8DA
Independent auditors	CWM Chartered Accountants Chartered Accountants & Statutory Auditor 1a High Street Epsom Surrey KT19 8DA

PITTMAN (HOLDINGS) LIMITED

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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

Introduction

The director presents his strategic report on the accounts for the year ended 30 April 2023

Business review

The group's principal activity continues to be the operation of two nursing homes based in Surrey.

Principal risks and uncertainties

The principal risk to the growth in fees generated in the companies is that local authorities and the NHS do not increase their payments at the same rate as the rise in cost of operating the care homes. Experience shows, however, that supply and demand over the long-term help to adjust this difference.

Staff costs account for typically 65% to 70% of the total operation costs in a care home. Any government pay rises to NHS nursing staff need to be matched for those working in the care home in order to retain staff.

The lower paid staff wage rates are linked directly to the level of the minimum wage. Any percentage increases in the minimum wage above the percentage rate of increase in the fees agreed by local government to be paid to care homes impacts on the company's profitability.

The director ensures that there are agreements in place with the local authorities, together with regular dialogue, to ensure occupancy rates are maintained at high level.

The director recognises the importance of staff and in particular nursing staff. Staff is the company's greatest asset. For this reason the director dedicates time and resources to ensuring the permanent recruitment of nursing staff instead of being reliant on agency staff, who are only used as a last resort. This ensures continuity with quality of care.

Financial key performance indicators

The group's key performance indication is the monthly turnover. The results for 2023 showed turnover amounting to £3,198,853 (2022 - £3,098,645). This is an increase of 3.2% and demonstrates the issue of below inflationary increases in state funding of beds. This manifests itself in a reduction in the overall group net profit before tax.

The group's other key performance indicator is the monthly staff costs. As noted above the total costs are typically 65% to 70% of fee income. For 2023 this amounted to 70.33% (2022 - 71.19%).

Other key performance indicators

The company's key performance indication is the weekly occupancy report. The company has managed to maintain occupancy rates of 90% and above which in turn enables the delivery of the care noted above using permanent staff.

Changes in nursing management staff have resulted in significant rises in occupancy rates of between 3% and 5% in the financial year ending 31 March 2024.

PITTMAN (HOLDINGS) LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

This report was approved by the board on 27 December 2023 and signed on its behalf.

S J Pittman
Director

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The director presents his report and the financial statements for the year ended 31 March 2023.

Director's responsibilities statement

The director is responsible for preparing the Group strategic report, the Director's report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The director is 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 the Group and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £503,418 (2022 - £540,366).

During the year the company declared dividends amounting to £286,000 (2022 - £288,000).

Director

The director who served during the year was:

S J Pittman

Future developments

The group has managed to increase its occupancy rate in the current financial year.

One of the nursing homes owned by the group has the potential to expand the number of beds available through the addition of further buildings on its existing site. This is an area to be investigated by the director in the foreseeable future.

PITTMAN (HOLDINGS) LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- he 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 and the Group's auditors are aware of that information.

Post balance sheet events

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

Auditors

The auditors, CWM Chartered Accountants, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27 December 2023 and signed on its behalf.

S J Pittman
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PITTMAN (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Pittman (Holdings) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023, which comprise the Consolidated statement of comprehensive income, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows, the Consolidated statement of changes in equity, the Company statement of changes in equity and the related notes, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PITTMAN (HOLDINGS) LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The director is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Director's report.

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PITTMAN (HOLDINGS) LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Director's responsibilities statement set out on page 3, the director is 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 director determines 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 director is responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of designing our audit approach, we determined a materiality level and assessed the risks of material misstatement in the financial statements, including how fraud may occur through enquiries of management regarding its assessment of the areas and likelihood of fraud.

We looked at the areas where subjective judgements were made by management. In particular we looked at significant accounting estimates which were the result of assumptions made and based upon future events which are inherently uncertain. We also considered the effect of potential financial and other pressures, opportunity and motivations for fraud. We identified the use of internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these procedures. As part of our audit we reviewed and tested journals, key estimates and judgements made by management.

Our tests included agreeing the financial statements disclosures to underlying supporting documentation and enquiries with management.

We did not identify any key audit matters relating to irregularities, including fraud. We considered the risk of management override of internal controls and carried out tests to evaluate this.

Our audit procedures are designed to identify risks of material misstatement, recognising that risks of not detecting such material misstatements due to fraud is greater than the risk due to error, due to the fact that fraud may well involve deliberate concealment. The audit procedures have inherent limitations. The further removed that non-compliance with laws and regulations are from the events and transactions included in the financial statements, the less likely we are to detect it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

PITTMAN (HOLDINGS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PITTMAN (HOLDINGS) LIMITED (CONTINUED)

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 Auditors' 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.

M A Cooper FCA (Senior statutory auditor)

for and on behalf of

CWM Chartered Accountants

Chartered Accountants

Statutory Auditor

1a High Street

Epsom

Surrey

KT19 8DA

27 December 2023

PITTMAN (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover	4	3,198,853	3,098,645
Cost of sales		(2,397,203)	(2,349,560)
Gross profit		801,650	749,085
Administrative expenses		(214,832)	(226,018)
Other operating income	5	32,107	138,387
Operating profit		618,925	661,454
Interest receivable and similar income	8	929	7,223
Profit before taxation		619,854	668,677
Tax on profit	9	(116,436)	(128,311)
Profit for the financial year		503,418	540,366
Total comprehensive income for the year		503,418	540,366
Profit for the year attributable to:			
Owners of the parent Company		503,418	540,366
		503,418	540,366
Total comprehensive income for the year attributable to:			
Owners of the parent Company		503,418	540,366
		503,418	540,366

The notes on pages 21 to 37 form part of these financial statements.

PITTMAN (HOLDINGS) LIMITED
REGISTERED NUMBER: 07889288

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	4,875,044	4,886,901
		<u>4,875,044</u>	<u>4,886,901</u>
Current assets			
Debtors: amounts falling due after more than one year	14	-	11,000
Debtors: amounts falling due within one year	14	174,869	192,341
Cash at bank and in hand	15	6,548	639,638
		<u>181,417</u>	<u>842,979</u>
Creditors: amounts falling due within one year	16	(2,729,337)	(3,617,874)
Net current liabilities		<u>(2,547,920)</u>	<u>(2,774,895)</u>
Total assets less current liabilities		<u>2,327,124</u>	<u>2,112,006</u>
Provisions for liabilities			
Deferred taxation	17	(6,578)	(8,878)
		<u>(6,578)</u>	<u>(8,878)</u>
Net assets excluding pension asset		<u>2,320,546</u>	<u>2,103,128</u>
Net assets		<u>2,320,546</u>	<u>2,103,128</u>
Capital and reserves			
Called up share capital	18	100	100
Merger reserve		9,902	9,902
Profit and loss account		2,310,544	2,093,126
Equity attributable to owners of the parent Company		<u>2,320,546</u>	<u>2,103,128</u>
		<u>2,320,546</u>	<u>2,103,128</u>

PITTMAN (HOLDINGS) LIMITED
REGISTERED NUMBER: 07889288

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 December 2023.

S J Pittman
Director

The notes on pages 21 to 37 form part of these financial statements.

PITTMAN (HOLDINGS) LIMITED
REGISTERED NUMBER: 07889288

COMPANY BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	13	100	100
		<u>100</u>	<u>100</u>
Current assets			
Debtors: amounts falling due after more than one year	14	364,547	239,893
Debtors: amounts falling due within one year	14	-	119,819
Cash at bank and in hand	15	482	2,765
		<u>365,029</u>	<u>362,477</u>
Creditors: amounts falling due within one year	16	(365,029)	(362,477)
Net current assets		<u>-</u>	<u>-</u>
Total assets less current liabilities		<u>100</u>	<u>100</u>
Net assets excluding pension asset		<u>100</u>	<u>100</u>
Net assets		<u><u>100</u></u>	<u><u>100</u></u>
Capital and reserves			
Called up share capital	18	100	100
Profit for the year		286,000	288,000
Other changes in the profit and loss account		(286,000)	(288,000)
		<u>100</u>	<u>100</u>

PITTMAN (HOLDINGS) LIMITED
REGISTERED NUMBER: 07889288

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 December 2023.

S J Pittman
Director

The notes on pages 21 to 37 form part of these financial statements.

PITTMAN (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Merger reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 April 2022	100	9,902	2,093,126	2,103,128	2,103,128
Comprehensive income for the year					
Profit for the year	-	-	503,418	503,418	503,418
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	503,418	503,418	503,418
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	(286,000)	(286,000)	(286,000)
Total transactions with owners	-	-	(286,000)	(286,000)	(286,000)
At 31 March 2023	100	9,902	2,310,544	2,320,546	2,320,546

The notes on pages 21 to 37 form part of these financial statements.

PITTMAN (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £	Merger reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 April 2021	100	9,902	1,840,760	1,850,762	1,850,762
Comprehensive income for the year					
Profit for the year	-	-	540,366	540,366	540,366
Other comprehensive income for the year					
	-	-	-	-	-
Total comprehensive income for the year	-	-	540,366	540,366	540,366
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	(288,000)	(288,000)	(288,000)
Total transactions with owners	-	-	(288,000)	(288,000)	(288,000)
At 31 March 2022	100	9,902	2,093,126	2,103,128	2,103,128

The notes on pages 21 to 37 form part of these financial statements.

PITTMAN (HOLDINGS) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2022	100	-	100
Comprehensive income for the year			
Profit for the year	-	286,000	286,000
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	286,000	286,000
Contributions by and distributions to owners			
Dividends: Equity capital	-	(286,000)	(286,000)
Total transactions with owners	-	(286,000)	(286,000)
At 31 March 2023	100	-	100

The notes on pages 21 to 37 form part of these financial statements.

PITTMAN (HOLDINGS) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2021	100	-	100
Comprehensive income for the year			
Profit for the year	-	288,000	288,000
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	288,000	288,000
Contributions by and distributions to owners			
Dividends: Equity capital	-	(288,000)	(288,000)
Total transactions with owners	-	(288,000)	(288,000)
At 31 March 2022	100	-	100

The notes on pages 21 to 37 form part of these financial statements.

PITTMAN (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	503,418	540,366
Adjustments for:		
Amortisation of intangible assets	-	6,646
Depreciation of tangible assets	21,299	21,813
Government grants	(32,107)	(138,335)
Interest received	(929)	(7,223)
Taxation charge	116,436	128,311
Decrease in debtors	28,472	45,197
Decrease in amounts owed by groups	-	2,220,316
(Decrease) in creditors	(880,333)	(206,508)
Increase/(decrease) in amounts owed to groups	-	(2,220,363)
Corporation tax (paid)	(126,940)	(87,483)
Net cash generated from operating activities	(370,684)	302,737
Cash flows from investing activities		
Purchase of tangible fixed assets	(9,442)	(18,200)
Government grants received	32,107	138,335
Interest received	929	7,223
Net cash from investing activities	23,594	127,358
Cash flows from financing activities		
Issue of ordinary shares	-	9,999
Dividends paid	(286,000)	(288,000)
Net cash used in financing activities	(286,000)	(278,001)
Net (decrease)/increase in cash and cash equivalents	(633,090)	152,094
Cash and cash equivalents at beginning of year	639,638	487,544
Cash and cash equivalents at the end of year	6,548	639,638
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	6,548	639,638
	6,548	639,638

PITTMAN (HOLDINGS) LIMITED

The notes on pages 21 to 37 form part of these financial statements.

PITTMAN (HOLDINGS) LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2023

	At 1 April 2022	Cash flows	At 31 March
	£	£	2023
			£
Cash at bank and in hand	639,638	(633,090)	6,548
Debt due within 1 year	(3,155,727)	762,058	(2,393,669)
	<u>(2,516,089)</u>	<u>128,968</u>	<u>(2,387,121)</u>

The notes on pages 21 to 37 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies

1.1 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 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 FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies (continued)

1.3 Revenue (continued)

- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

1.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

1.6 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

Multi-employer pension plan

The Group is a member of a multi-employer plan. Where it is not possible for the Group to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. Accounting policies (continued)

1.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 balance sheet date.

1.8 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies (continued)

1.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as set out below.

Depreciation is provided on the following basis:

Freehold property	-		
Motor vehicles	-	25%	Reducing balance basis
Fixtures and fittings	-	25%	Reducing balance basis
Office equipment	-	25%	Reducing balance basis
Computer equipment	-	33%	Straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

1.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

1.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies (continued)

1.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

1.15 Financial instruments

The Group has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's Balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, 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, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies (continued)

1.15 Financial instruments (continued)

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Group transfers the asset and substantially all the risks and rewards of

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies (continued)

1.15 Financial instruments (continued)

ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Group will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

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

1.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2. General information

The company is a private limited company incorporated in England and Wales. Its registered office is situated at 1a High Street, Epsom, Surrey KT19 8DA.

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will therefore seldom equal the related actual results.

The significant estimates and assumptions are detailed below:-

Revenue Recognition

Revenue recognition is based on the charges for bed spaces relating to the period in which the bed is occupied.

PITTMAN (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Resident occupancy fees	532,472	636,110
NHS Occupancy fees	1,900,628	1,643,455
RNCC fees	154,491	143,918
Other fees	611,263	675,161
	<u>3,198,854</u>	<u>3,098,644</u>

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	3,198,853	3,098,645
	<u>3,198,853</u>	<u>3,098,645</u>

5. Other operating income

	2023 £	2022 £
Government grants receivable	32,107	138,335
Sundry income	-	52
	<u>32,107</u>	<u>138,387</u>

6. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2023 £	2022 £
Fees payable to the Company's auditors in respect of:		
The auditing of accounts of associates of the Company	9,600	-
All non-audit services not included above	<u>18,280</u>	<u>8,208</u>

PITTMAN (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

7. Employees

Staff costs were as follows:

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Wages and salaries	2,011,356	<i>1,965,690</i>	-	-
Social security costs	187,638	<i>175,449</i>	-	-
Cost of defined contribution scheme	35,643	<i>35,134</i>	-	-
	<u>2,234,637</u>	<i><u>2,176,273</u></i>	<u>-</u>	<i><u>-</u></i>

The average monthly number of employees, including the director, during the year was as follows:

	Group 2023 No.	<i>Group 2022 No.</i>	Company 2023 No.	<i>Company 2022 No.</i>
Director	1	<i>1</i>	1	<i>1</i>
Other	86	<i>85</i>	-	<i>-</i>
	<u>87</u>	<i><u>86</u></i>	<u>1</u>	<i><u>1</u></i>

8. Interest receivable

	2023 £	<i>2022 £</i>
Other interest receivable	929	<i>7,223</i>
	<u>929</u>	<i><u>7,223</u></i>

PITTMAN (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	118,736	126,940
	<u>118,736</u>	<u>126,940</u>
Total current tax	<u>118,736</u>	<u>126,940</u>
Deferred tax		
Origination and reversal of timing differences	(2,300)	1,371
	<u>(2,300)</u>	<u>1,371</u>
Total deferred tax		
	<u>(2,300)</u>	<u>1,371</u>
Tax on profit	<u>116,436</u>	<u>128,311</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - *higher than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>619,854</u>	<u>668,677</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	117,772	127,049
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	1,262
Capital allowances for year in excess of depreciation	964	(1,371)
Short-term timing difference leading to an increase (decrease) in taxation	(2,300)	1,371
	<u>(2,300)</u>	<u>1,371</u>
Total tax charge for the year	<u>116,436</u>	<u>128,311</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

PITTMAN (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. Dividends

	2023 £	2022 £
Dividends analysis - ordinary shares paid	286,000	288,000
	<u>286,000</u>	<u>288,000</u>

11. Intangible assets

Group and Company

	Goodwill £
Cost	
At 1 April 2022	145,000
At 31 March 2023	<u>145,000</u>
Amortisation	
At 1 April 2022	145,000
At 31 March 2023	<u>145,000</u>
Net book value	
At 31 March 2023	<u>-</u>
At 31 March 2022	<u>-</u>

PITTMAN (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. Tangible fixed assets

Group

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Computer equipment £
Cost or valuation					
At 1 April 2022	4,808,825	5,350	360,512	192,322	16,630
Additions	-	-	7,030	1,848	564
At 31 March 2023	4,808,825	5,350	367,542	194,170	17,194
Depreciation					
At 1 April 2022	-	4,080	309,649	169,894	13,115
Charge for the year on owned assets	-	318	11,579	6,069	3,333
At 31 March 2023	-	4,398	321,228	175,963	16,448
Net book value					
At 31 March 2023	4,808,825	952	46,314	18,207	746
At 31 March 2022	4,808,825	1,270	50,863	22,428	3,515

PITTMAN (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. Tangible fixed assets (continued)

	Total £
Cost or valuation	
At 1 April 2022	5,383,639
Additions	9,442
	<hr/>
At 31 March 2023	5,393,081
	<hr/>
Depreciation	
At 1 April 2022	496,738
Charge for the year on owned assets	21,299
	<hr/>
At 31 March 2023	518,037
	<hr/>
Net book value	
At 31 March 2023	4,875,044
	<hr/>
At 31 March 2022	4,886,901
	<hr/>

The net book value of land and buildings may be further analysed as follows:

	2023 £	2022 £
Freehold	4,808,825	4,808,825
	<hr/>	<hr/>
	4,808,825	4,808,825
	<hr/>	<hr/>

PITTMAN (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13. Fixed asset investments

Group

Company

Investments in
subsidiary
companies
£

Cost or valuation

At 1 April 2022

100

At 31 March 2023

100

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
SNH Properties Limited	1a High Street, Epsom KT19 8DA	Ordinary	100 %
LNH Properties Limited	1a High Street, Epsom KT19 8DA	Ordinary	100 %

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
S J Pittman Limited	1a High Street, Epsom KT19 8DA	Ordinary	100 %
Sutton Nursing Homes Limited	1a High Street, Epsom KT19 8DA	Ordinary A	100 %

PITTMAN (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14. Debtors

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Due after more than one year				
Amounts owed by group undertakings	-	-	364,547	239,893
Other debtors	-	11,000	-	-
	<u>-</u>	<u>11,000</u>	<u>364,547</u>	<u>239,893</u>

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Due within one year				
Trade debtors	170,405	188,553	-	-
Amounts owed by group undertakings	-	-	-	119,819
Other debtors	90	-	-	-
Prepayments and accrued income	4,374	3,788	-	-
	<u>174,869</u>	<u>192,341</u>	<u>-</u>	<u>119,819</u>

15. Cash and cash equivalents

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Cash at bank and in hand	6,548	639,638	482	2,765
	<u>6,548</u>	<u>639,638</u>	<u>482</u>	<u>2,765</u>

PITTMAN (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade creditors	69,859	102,620	-	-
Amounts owed to group undertakings	15,356	15,356	365,029	362,477
Corporation tax	118,736	126,940	-	-
Other taxation and social security	39,939	37,917	-	-
Other creditors	2,407,737	3,287,145	-	-
Accruals and deferred income	77,710	47,896	-	-
	<u>2,729,337</u>	<u>3,617,874</u>	<u>365,029</u>	<u>362,477</u>

17. Deferred taxation

Group

	2023 £
At beginning of year	(8,878)
Charged to profit or loss	2,300
At end of year	<u>(6,578)</u>
	Group 2023 £
Accelerated capital allowances	(6,578)
	<u>(6,578)</u>
	Group 2022 £
	(8,878)
	<u>(8,878)</u>

18. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
100 (2022 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

PITTMAN (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £35,643 (2022 - £35,134) . Contributions totalling £3,163 (2022 - £3,079) were payable to the fund at the balance sheet date and are included in creditors.

20. Controlling party

The company and group are controlled by Mr S J Pittman.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.