

ANNUAL REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2021

CAREMARK LIMITED

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CAREMARK LIMITED

COMPANY INFORMATION

Directors Mr K J Lewis (resigned 18 September 2021)
Mr S A C Dalziel (appointed 14 April 2021)
Miss L A Fyfe (appointed 14 April 2021)
Mr D J Glover (appointed 14 April 2021)

Company secretary Miss L A Fyfe

Registered number 05447577

Registered office C1 Yeoman Gate
Yeoman Way
Worthing
West Sussex
BN13 3QZ

Independent auditors Menzies LLP
Chartered Accountants & Statutory Auditor
3000a Parkway
Whiteley
Hampshire
PO15 7FX

Bankers HSBC Bank Plc
6 West Street
Horsham
West Sussex
RH12 1PE

CAREMARK LIMITED

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CAREMARK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The directors present their strategic report of the Company for the year ended 31 December 2021.

Business review

Caremark Limited has developed over a number of years and continues to develop a model and system for the delivery of high quality domiciliary and related care services which it licences pursuant to a franchise agreement to its 110 franchisees in the UK.

The Company also operates its own Company owned care office for the Horsham territory as well as three extra schemes in West Sussex.

The Company receives a monthly Management Service Fee from its franchisees, based on their turnover, for the ongoing support and guidance that is provided by the Company. The Company also charges a one-off Licence Fee for all new franchisees joining the Caremark network.

The Company suffered from the sudden and unexpected loss of Kevin Lewis, its founder and sole shareholder in September 2021. The board of directors subsequently took the decision to appoint existing directors, Lisa Fyfe and David Glover as joint CEO's in October 2021 to ensure the maintenance of confidence within the franchisee network and to sustain continuity of business operations.

For the year ended 31 December 2021, network turnover increased by 16.1% from 2020 to £108,581,119. This increased network turnover directly correlated to the 16.5% increase in the Company's income from the Management Service Fee in 2021 compared to 2020.

Income from the sale of new franchisees was however disappointing and significantly below internal budget targets. The market for recruitment of new franchisees was challenging across the franchise sector as a whole in 2020, due primarily to the pandemic. It is not anticipated that the challenges in franchise recruitment will ease significantly in 2022.

Revenue from the Company's own care office and extra care schemes was considerably ahead of budget targets and contributed significantly to overall revenue for the Company. The three extra care schemes were retendered with West Sussex County Council in 2021.

Profits before tax in 2021 increased by 26.9% to £3,587,684. This was due to the aforementioned increase in revenue and a tight control on operational costs which were significantly below budget in 2021.

The shareholder's funds increased during the year from £2,859,743 to £4,284,906.

Principal risks and uncertainties

The Company is performing well and is ahead of its own internal targets and budgets. There are however challenges in the domiciliary care industry, the main one of which is the recruitment and retention of care assistants. Whilst the care sector is not alone in these challenges, a significant shortage of care assistants means that supply cannot keep up with demand which creates individual stress and business risk for our franchisees.

The Company has also lost, as from 1 October 2022, the right to run the three existing extra care schemes that it operates.

The Company has invested heavily in its franchise support structure including the hiring of new senior staff to create a strong senior management team. With the changes that have made and a smooth continuation of the business since the death of its founder, the Company is confident, that any risks and uncertainties can be mitigated and that it will seize the opportunities within the UK marketplace to ensure growth in turnover, network coverage and profitability.

CAREMARK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Financial and other key performance indicators

The financial and other key performance indicators are as follows:

	2021	2020	Variance	Variance %
Turnover	£10,087,316	£8,425,568	£1,661,748	19.72
Profit on ordinary activities before taxation	£3,587,684	£2,826,726	£760,958	26.92
Cash at bank and in hand	£4,030,416	£3,773,467	£256,949	6.81
No. of network clients	7,475	7,178	297	4.14
No. of network care workers	5,631	6,263	(632)	(10.09)

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

Miss L A Fyfe
Director

Date: 16 September 2022

CAREMARK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company'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 Company will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £2,926,245 (2020 -£2,293,014).

The total distribution of dividends for the year ended 31 December 2021 was £1,501,081 (2020 - £1,596,846).

Directors

The directors who served during the year were:

Mr K J Lewis (resigned 18 September 2021)
Mr S A C Dalziel (appointed 14 April 2021)
Miss L A Fyfe (appointed 14 April 2021)
Mr D J Glover (appointed 14 April 2021)

Future developments

Future developments for 2023 include a thorough review of the Company's rostering system. A national advertising fund will be introduced to further promote the brand and increase brand awareness. The directors are currently investigating and trialling the use of technology with the aim of making the delivery of care more effective and efficient; this is expected to continue in 2023. The Company's business model is due to be reviewed in detail with changes being made to ensure the company remains competitive and effective whilst delivering the highest standards of care.

CAREMARK LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Engagement with employees

We are proud to have an open door policy. We encourage staff members to talk to the Directors any time. The directors are available in person, via emails, Teams or phone. On the last Friday of each month, the Joint CEO has a meeting with the employees to share the Company update. The directors also share the video newsletters to give us an update about the Company as and when necessary, via our intranet.

Every January, all employees are invited to the Annual Conference where the directors give us an update on the industry, annual performance of the Company and risks and opportunity for the next 12 months. Every year, in June, the Company hosts a mid-year summer party that gives employees an opportunity to network with the franchise network at which mid-year company updates are also presented. The monthly meeting with the employees is a great opportunity for all members of staff whether office, home or field-based to come together and share their views directly with the senior management team. In addition to that, as part of our Performance Management System, all employees share with their managers, their career aspirations, how they want to progress, and any skills they might need for development. They also have regular 1-2-1 meetings. Employees are given an opportunity to set their own goals and share their views on the Company's decision etc. A few months ago, the directors were seeking advice from the employees on the furniture layout, changing the organisation culture to inculcate more open and honest communications, staffing structures, bonus schemes, involve other senior managers in interviews and so on. This encourages staff to feel valued, have a voice, boosts motivation, hence increasing productivity and engagement. We communicate openly, how the external economic factors affect our business.

In March 2022, we increased the rate of fuel mileage pay for all members of staff in line with the rising cost of living. We believe that if an employer takes care of the expenses, the staff will be more productive and we will be able to retain them as well. During the pandemic, employees were working from home as per the Government guidelines. Upon further discussions and evaluating the positive affect it had on our business, and the encouraging impact it had on our staff mental wellbeing and work life balance, the Company decided to continue the flexibility of staff members working from home one day a week. In the last financial year, cadence of virtual meetings was higher to ensure that staff members do not feel isolated. Since the end of the pandemic months, we now organise employee engagement activities/ social events to strengthen the team dynamics. We have also recently appointed two directors to strengthen the management team, drive the Company forward with nurturing and supporting their team.

Disabled employees

Caremark Limited an equal opportunities employer. We always make reasonable adjustments for disabled workers right from the recruitment process. Our Company policy clearly states that the candidates and members of staff are not disadvantaged when doing their job and/or treated less favourably than someone else, because of a protected characteristic. As per our policy, Equality and Dignity at Work, we ask all staff members to complete a Health Declaration and evidence any disabilities where they think reasonable adjustments should be made. Staff equal opportunity monitoring system also help us identify any disability so that we can support them further for an excellent employee experience that increases productivity and employee satisfaction/ motivation. For example, the staff handbook and the initial training of Care workers assess their functional skills, if they need any support with reading, writing or putting the learnings into practice. Thoughtful considerations are made before a care worker with special needs is allocated to look after a client. In the last financial year, we introduced many documents and policies relating to our staff mental wellbeing.

Most of our staff are lone workers, so we have a policy for the managers to be regularly in contact with them because research shows that loneliness may result into poor mental wellbeing and potential disability. We also believe that people with disabilities may be at greater risk of poor general health and wellbeing, so we have produced policy to have frequent and early discussions to identify and mitigate the risk of mental disability.

In addition to the above, we have collaborated with a charitable organisation called Shaw Trust. Together, we aim to build a future where rewarding employment is accessible for everyone. Shaw Trust has access to a large pool of candidates who are committed to finding rewarding work and Caremark Limited is the best fit for that! These candidates may have previously experienced barriers into employment for reasons such as redundancy, health, family situations or disability, and now, with the help of Shaw Trust and their support, are looking for sustainable employment.

Caremark Limited and Shaw Trust believe everyone has the right to live a decent and dignified life and an opportunity for rewarding work. We are a social purpose organisation challenging inequality and breaking down barriers to enable social mobility. Shaw Trust also has a Care Academy that provides insights and basic training to people who have not worked in the Care Sector before and there is the possibility of ringfencing some of these learners anywhere in England to apply for your vacancies too. This partnership between us helps Caremark Limited demonstrate its commitment to Social Value and having a wide ranging, talented, diverse and inclusive workforce.

CAREMARK LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Matters covered in the Strategic Report

The Company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the Company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 it must be stated in the Directors' Report that it has done so. This includes information that would have been included in the business review and the principal risks and uncertainties.

Disclosure of information to auditors

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

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

Post balance sheet events

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

Auditors

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

Miss L A Fyte

Director

Date: 16 September 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAREMARK LIMITED

Opinion

We have audited the financial statements of Caremark Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Cash Flows 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 Company's affairs as at 31 December 2021 and of its 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 Company 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAREMARK LIMITED
(CONTINUED)**

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAREMARK LIMITED
(CONTINUED)**

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 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:

- The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, and general regulations such as health and safety. There are no industry specific laws and regulations which would be deemed to have a significant impact on the financial statements. We assessed the extent of compliance with the appropriate laws and regulations as part of our procedures on the related financial statement items.
- We understood how the Company is complying with the legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the Company financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - Challenging assumptions and judgments made by management in its significant accounting estimates; and
 - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.
- As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:
 - Posting of unusual journals and complex transactions.
 - Misappropriation of funds through fraudulent purchase ledger and payroll activity.
 - Manipulation of amounts subject to significant judgment or estimate.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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

Other matters

The comparative figures disclosed in these financial statements are unaudited.

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.

James Hadfield FCA (Senior statutory auditor)

for and on behalf of

Menzies LLP

Chartered Accountants
Statutory Auditor

3000a Parkway
Whiteley
Hampshire
PO15 7FX

16 September 2022

CAREMARK LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	Unaudited 2020 £
Turnover	4	10,087,316	8,425,568
Cost of sales		(3,552,645)	(2,937,682)
Gross profit		6,534,671	5,487,886
Administrative expenses		(3,031,400)	(2,725,435)
Other operating income	5	95,656	74,596
Operating profit	6	3,598,927	2,837,017
Interest receivable and similar income	10	262	5,335
Interest payable and similar expenses	11	(11,505)	(15,656)
Profit before tax		3,587,684	2,826,726
Tax on profit	12	(661,439)	(533,712)
Profit after tax		2,926,245	2,293,014
Retained earnings at the beginning of the year		2,859,642	2,163,474
		<u>2,859,642</u>	<u>2,163,474</u>
Profit for the year		2,926,245	2,293,014
Dividends declared and paid		(1,501,081)	(1,596,846)
Retained earnings at the end of the year		4,284,806	2,859,642

The notes on pages 15 to 26 form part of these financial statements.

CAREMARK LIMITED
REGISTERED NUMBER:05447577

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	<i>Unaudited 2020</i> £
Fixed assets			
Tangible assets	14	376,717	427,863
		<u>376,717</u>	<u>427,863</u>
Current assets			
Debtors: amounts falling due within one year	15	1,482,232	1,381,062
Cash at bank and in hand	16	4,030,416	3,773,467
		<u>5,512,648</u>	<u>5,154,529</u>
Creditors: amounts falling due within one year	17	<u>(1,380,808)</u>	<u>(2,420,500)</u>
Net current assets		<u>4,131,840</u>	<u>2,734,029</u>
Total assets less current liabilities		<u>4,508,557</u>	<u>3,161,892</u>
Creditors: amounts falling due after more than one year	18	(223,651)	(302,149)
Net assets		<u><u>4,284,906</u></u>	<u><u>2,859,743</u></u>
Capital and reserves			
Called up share capital	20	100	100
Profit and loss account	21	4,284,806	2,859,643
		<u><u>4,284,906</u></u>	<u><u>2,859,743</u></u>

CAREMARK LIMITED
REGISTERED NUMBER:05447577

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

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

Miss L A Fyfe
Director

Date: 16 September 2022

The notes on pages 15 to 26 form part of these financial statements.

CAREMARK LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	Unaudited 2020 £
Cash flows from operating activities		
Profit for the financial year	2,926,245	2,293,014
Adjustments for:		
Depreciation of tangible assets	47,363	47,981
Loss on disposal of tangible assets	(18,720)	-
Government grants	(95,656)	(74,596)
Interest paid	11,505	15,656
Interest received	(262)	(5,335)
Taxation charge	661,439	533,712
(Increase) in debtors	(82,743)	(391,070)
(Decrease)/increase in creditors	(1,091,484)	1,107,461
Corporation tax (paid)	(621,432)	(342,000)
Net cash generated from operating activities	1,736,255	3,184,823
Cash flows from investing activities		
Purchase of tangible fixed assets	(36,295)	(42,651)
Sale of tangible fixed assets	58,798	1,254
Government grants received	95,656	74,596
Interest received	262	5,335
HP interest paid	(2,823)	(3,387)
Net cash from investing activities	115,598	35,147
Cash flows from financing activities		
Repayment of loans	(35,575)	(31,989)
Repayment of/new finance leases	(49,566)	(6,872)
Dividends paid	(1,501,081)	(1,596,846)
Interest paid	(8,682)	(12,269)
Net cash used in financing activities	(1,594,904)	(1,647,976)
Net increase in cash and cash equivalents	256,949	1,571,994
Cash and cash equivalents at beginning of year	3,773,467	2,201,473
Cash and cash equivalents at the end of year	4,030,416	3,773,467
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,030,416	3,773,467
	4,030,416	3,773,467

The notes on pages 15 to 26 form part of these financial statements.

CAREMARK LIMITED

ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 DECEMBER 2021

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	3,773,467	256,949	4,030,416
Debt due after 1 year	(259,733)	36,082	(223,651)
Debt due within 1 year	(32,493)	(507)	(33,000)
Finance leases	(49,566)	49,566	-
	<u>3,431,675</u>	<u>342,090</u>	<u>3,773,765</u>

The notes on pages 15 to 26 form part of these financial statements.

CAREMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Caremark Limited is a private company limited by shares incorporated and domiciled in England and Wales.

The address of its registered office, which is also the same as its principal place of business, is disclosed within the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with 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 management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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:

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;
- it is probable that the Company 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.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.4 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 Statement of Income and Retained Earnings in the same period as the related expenditure.

CAREMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.8 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 reporting date in the countries where the Company operates and generates income.

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

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

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

2.9 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.

CAREMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line and reducing balance methods.

Depreciation is provided on the following basis:

Freehold property	-	2%	Straight line (on buildings)
Motor vehicles	-	25%	Reducing balance
Fixtures and fittings	-	15%	Reducing balance
Office equipment	-	33%	Straight line
Computer equipment	-	33%	Straight line

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.

2.10 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.

2.11 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 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 Company's cash management.

2.12 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.

2.13 Financial instruments

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

2.14 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.

CAREMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions

that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fixed asset depreciation and residual values:

The directors have reviewed depreciation rates and asset lives & associated residual values of all fixed asset classes, and have concluded these are appropriate.

4. Turnover

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

	2021 £	<i>Unaudited 2020</i> £
Community service care franchising	10,087,316	8,425,568
	<u>10,087,316</u>	<u>8,425,568</u>

Analysis of turnover by country of destination:

	2021 £	<i>Unaudited 2020</i> £
United Kingdom	10,087,316	8,425,568
	<u>10,087,316</u>	<u>8,425,568</u>

5. Other operating income

	2021 £	<i>Unaudited 2020</i> £
Government grants receivable	95,656	74,596
	<u>95,656</u>	<u>74,596</u>

CAREMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

6. Operating profit

The operating profit is stated after charging:

	2021	<i>Unaudited 2020</i>
	£	£
Other operating lease rentals	<u>49,145</u>	<u>34,805</u>

7. Auditors' remuneration

	2021	<i>Unaudited 2020</i>
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>17,500</u>	<u>-</u>

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2021	<i>Unaudited 2020</i>
	£	£
Wages and salaries	4,953,240	4,267,768
Social security costs	399,395	340,525
Cost of defined contribution scheme	85,232	72,541
	<u>5,437,867</u>	<u>4,680,834</u>

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

	2021	2020
	No.	No.
Production and administration	<u>273</u>	<u>260</u>

CAREMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

9. Directors' remuneration

	2021 £	<i>Unaudited 2020</i> £
Directors' emoluments	214,881	218,015
Company contributions to defined contribution pension schemes	2,638	2,627
	<u>217,519</u>	<u>220,642</u>

During the year retirement benefits were accruing to 2 directors (2020 -2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £97,000 (2020 -£88,500).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,319 (2020 -£1,314).

10. Interest receivable

	2021 £	<i>Unaudited 2020</i> £
Other interest receivable	262	5,335
	<u>262</u>	<u>5,335</u>

11. Interest payable and similar expenses

	2021 £	<i>Unaudited 2020</i> £
Bank interest payable	8,682	12,269
Finance leases and hire purchase contracts	2,823	3,387
	<u>11,505</u>	<u>15,656</u>

CAREMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

12. Taxation

	2021 £	Unaudited 2020 £
Corporation tax		
Current tax on profits for the year	679,867	533,712
	<u>679,867</u>	<u>533,712</u>
	<u>679,867</u>	<u>533,712</u>
Total current tax	<u>679,867</u>	<u>533,712</u>
Deferred tax		
Origination and reversal of timing differences	(13,072)	-
Changes to tax rates	(5,356)	-
	<u>(18,428)</u>	<u>-</u>
Total deferred tax	<u>(18,428)</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>661,439</u>	<u>533,712</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 -lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	Unaudited 2020 £
Profit on ordinary activities before tax	<u>3,587,684</u>	<u>2,826,726</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 -19%)	681,660	537,078
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,164	177
Adjustments to tax charge in respect of prior periods	(16,962)	(2,175)
Other timing differences leading to an increase (decrease) in taxation	(4,423)	(1,368)
	<u>661,439</u>	<u>533,712</u>
Total tax charge for the year	<u>661,439</u>	<u>533,712</u>

Factors that may affect future tax charges

Since the year end of the reporting period, the corporation tax rate has increased from 19% to 25% with effect from

1 April 2023.

CAREMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

13. Dividends

	2021 £	<i>Unaudited 2020</i> £
Dividends - interim paid	<u>1,501,081</u>	<u>1,596,846</u>
	<u>1,501,081</u>	<u>1,596,846</u>

CAREMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

14. Tangible fixed assets

	Freehold property	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 January 2021	374,325	89,771	139,728	13,564	150,060	767,448
Additions	-	-	6,769	89	29,437	36,295
Disposals	-	(89,771)	(4,852)	-	-	(94,623)
	<u>374,325</u>	<u>-</u>	<u>141,645</u>	<u>13,653</u>	<u>179,497</u>	<u>709,120</u>
At 31 December 2021						
Depreciation						
At 1 January 2021	72,294	33,664	94,454	12,919	126,254	339,585
Charge for the year on owned assets	7,487	16,832	7,586	330	15,128	47,363
Disposals	-	(50,496)	(4,049)	-	-	(54,545)
	<u>79,781</u>	<u>-</u>	<u>97,991</u>	<u>13,249</u>	<u>141,382</u>	<u>332,403</u>
At 31 December 2021						
Net book value						
At 31 December 2021	<u>294,544</u>	<u>-</u>	<u>43,654</u>	<u>404</u>	<u>38,115</u>	<u>376,717</u>
	<u>302,031</u>	<u>56,107</u>	<u>45,274</u>	<u>645</u>	<u>23,806</u>	<u>427,863</u>
At 31 December Unaudited 2020						

CAREMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

15. Debtors

	2021 £	<i>Unaudited 2020</i> £
Trade debtors	448,989	471,689
Other debtors	433,366	453,425
Prepayments and accrued income	581,449	455,948
Deferred taxation	18,428	-
	<u>1,482,232</u>	<u>1,381,062</u>

16. Cash and cash equivalents

	2021 £	<i>Unaudited 2020</i> £
Cash at bank and in hand	4,030,416	3,773,467
	<u>4,030,416</u>	<u>3,773,467</u>

17. Creditors: Amounts falling due within one year

	2021 £	<i>Unaudited 2020</i> £
Bank loans	33,000	32,493
Trade creditors	87,369	92,904
Corporation tax	494,867	436,432
Other taxation and social security	364,476	321,944
Obligations under finance lease and hire purchase contracts	-	7,151
Other creditors	209,864	1,378,653
Accruals and deferred income	191,232	150,923
	<u>1,380,808</u>	<u>2,420,500</u>

CAREMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

18. Creditors: Amounts falling due after more than one year

	2021 £	<i>Unaudited 2020</i> £
Bank loans	223,651	259,733
Net obligations under finance leases and hire purchase contracts	-	42,416
	<u>223,651</u>	<u>302,149</u>

Bank borrowing is secured over assets of the Company.

19. Deferred taxation

	2021 £
Charged to profit or loss	18,428
At end of year	<u>18,428</u>

The deferred tax asset is made up as follows:

	2021 £	<i>Unaudited 2020</i> £
Accelerated capital allowances	16,502	-
Short term timing differences	1,926	-
	<u>18,428</u>	<u>-</u>

20. Share capital

	2021 £	<i>Unaudited 2020</i> £
Authorised, allotted, called up and fully paid		
75 (2020 -75) Ordinary shares of £1.00 each	75	75
25 (2020 -25) 'A' Ordinary shares of £1.00 each	25	25
	<u>100</u>	<u>100</u>

The Ordinary shareholder has one vote per Ordinary share held and nine votes per 'A' Ordinary share held.

CAREMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

21. Reserves

Profit and loss account

This reserve records retained earnings.

22. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £85,232 (2020 - £72,541) . Contributions totalling £7,704 (2020 - £Nil) were payable to the fund at the reporting date and are included in creditors.

23. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	<i>Unaudited 2020</i> £
Property		
Not later than 1 year	17,860	87,812
Later than 1 year and not later than 5 years	52,092	-
	<u>69,952</u>	<u>87,812</u>
	2021 £	<i>Unaudited 2020</i> £
Other		
Not later than 1 year	17,795	999
Later than 1 year and not later than 5 years	19,516	-
	<u>37,311</u>	<u>999</u>

24. Related party transactions

Caremark International Limited is a company under common control. At the year end, an amount was owed by Caremark International Limited to the Company of £282,470 (2020 - £240,697).

Blue Frog Cleaning Services Limited is a company under common control. At the year end, an amount was owed by Blue Frog Cleaning Services Limited to the Company of £150,596 (2020 - £208,994).

During the year, consultancy fees of £50,394 were paid to one of the directors.

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