Registered number: 05453021

HIGHER DRIVE NURSING HOME (HOLDINGS) LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE PERIOD ENDED 30 JUNE 2020

Bishop Fleming

HIGHER DRIVE NURSING HOME (HOLDINGS) LIMITED
REGISTERED NUMBER:05453021

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note		2020 £		2019 £
FIXED ASSETS					
Tangible assets	5		**7,144,402**		7,150,455
Investments	6		**100**		100
			7,144,502		7,150,555
CURRENT ASSETS					
Debtors: amounts falling due within one year	7	**3,762,836**		4,032,135	
Cash at bank and in hand	8	**74**		660	
		3,762,910		4,032,795	
Creditors: amounts falling due within one year	9	**(3,861,174)**		(3,839,895)	
NET CURRENT (LIABILITIES)/ASSETS			**(98,264)**		192,900
TOTAL ASSETS LESS CURRENT LIABILITIES			**7,046,238**		7,343,455
Creditors: amounts falling due after more than one year			**(6,498,146)**		(6,796,433)
PROVISIONS FOR LIABILITIES					
Deferred tax	11	**(248,809)**		(209,356)	
			(248,809)		(209,356)
NET ASSETS			**299,283**		337,666
CAPITAL AND RESERVES					
Called up share capital	12		**100**		100
Profit and loss account			**299,183**		337,566
			299,283		337,666

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2020

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

T McGranaghan
Director

Date: 15 September 2021

The notes on form part of these financial statements.

1. GENERAL INFORMATION

Higher Drive Nursing Home (Holdings) Limited is a limited liability company incorporated in the UK. The registered office is Minerva House, Lower Bristol Road, Bath, BA2 9ER.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of 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 judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

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

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

This information is included in the consolidated financial statements of Fairlie Holdings Limited as at 30 June 2020 and these financial statements may be obtained from Companies House.

The company has taken exemption from preparing consolidated financial statements as it forms part of a larger group preparing consolidated financial statements in the UK.

2. ACCOUNTING POLICIES (continued)

2.3 GOING CONCERN

The main revenue stream for Higher Drive Nursing Home (Holdings) Ltd comes from rent associated with leasing out 92 – 94 Higher Drive, to its subsidiary, 92 Higher Drive Ltd. The revenue streams for 92 Higher Drive Ltd. are provided by Clinical Commissioning Groups (CCGs) and Social Services and so have remained strong and are forecast to continue to do so for the foreseeable future. Following on from the Covid 19 outbreak, 92 Higher Drive Ltd introduced various measures to ensure the safety of its patients and therefore its revenue streams.

The Company is a part of the Fairlie Holdings Limited group ("the Group") and the Group has two distinct and separate funding groups, one of which has borrowings from Barclays ("the Barclays borrowing group") and the other which has borrowings from Triodos ("the Triodos borrowing group"). The Company is a member of the Triodos borrowing group, and as disclosed in Note 14, cross guarantees exist amongst the members of the Triodos borrowing group.

The response to Covid 19 as noted above ensures that the Group in general and the Triodos borrowing group has the ability to continue trading profitably and in a cash generative manner. The directors have prepared forecasts which allow for the continuing additional costs of operation caused by COVID-19 and also considered the impact of any outbreaks of COVID-19 within the homes that the wider group operates.

The directors have also updated forecasts to reflect delays caused to the development of the group's new properties.

The directors forecast that there will be a covenant breach at 30 June 2021. No formal waiver of enforcement action as a result of this breach has been obtained by the directors but the directors are in discussions with Triodos regarding this breach and are seeking confirmation that existing facilities will continue to be made available from Triodos. Whilst continuing in a positive way, and the outcome of these discussions is expected to be positive, the conclusion remains uncertain.

Notwithstanding the forecast covenant breach, on the basis of these forecasts, the directors are satisfied that the Company and other companies in the Triodos borrowing group has sufficient resources to meet its debt finance service and working capital requirements.

Certain companies within the Triodos borrowing group have also received funding from companies within the Barclays borrowing group. Companies within the Triodos borrowing group are dependent upon the construed availability of these advances, which is in turn dependent upon the companies within the Barclays borrowing group continuing as going concerns. The directors expect this to be the case.

The directors therefore consider that it is appropriate to prepare the accounts on a going concern basis.

2. ACCOUNTING POLICIES (continued)

2.4 TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

Turnover 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 turnover 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.

2.5 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Freehold land	- not depreciated

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.

2.6 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2. ACCOUNTING POLICIES (continued)

2.7 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.

2.8 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.

2.9 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.

2.10 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.

2.11 BORROWING COSTS

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

2.12 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the company 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 company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Statement of Financial Position.

2. ACCOUNTING POLICIES (continued)

2.13 CURRENT AND DEFERRED TAXATION

The tax expense for the period 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 Statement of Financial Position date, except that:

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

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

2.14 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.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgments and estimates, where required.

Freehold property is a specialist care home held at cost and the director's assess at each period end if there are any indicators of impairment.

4. EMPLOYEES

The average monthly number of employees, including directors, during the period was 2 (2019: 2).

5. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 July 2019	**7,409,224**
Additions	**48,000**
At 30 June 2020	**7,457,224**
DEPRECIATION	
At 1 July 2019	**258,769**
Charge for the period on owned assets	**54,053**
At 30 June 2020	**312,822**
NET BOOK VALUE	
At 30 June 2020	**7,144,402**
At 30 June 2019	7,150,455

Included in land and buildings is freehold land at a cost of £1,180,559 (2019: £1,180,559), which is not depreciated.

6. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST	
At 1 July 2019	**100**
At 30 June 2020	**100**

7. DEBTORS

	2020	2019
	£	£
Amounts owed by group undertakings	**3,559,823**	3,696,295
Other debtors	**-**	22,068
Prepayments and accrued income	**203,013**	313,772
	3,762,836	4,032,135

Amounts owed by group undertakings are unsecured, repayable on demand and bear no interest.

8. CASH AND CASH EQUIVALENTS

	2020	2019
	£	£
Cash at bank and in hand	**74**	660
	74	660

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans	**296,236**	271,050
Amounts owed to group undertakings	**3,532,915**	3,532,621
Corporation tax	**-**	2,242
Accruals and deferred income	**32,023**	33,982
	3,861,174	3,839,895

For information regarding bank loans, see note 10.

Amounts owed by group undertakings are unsecured, repayable on demand and bear no interest.

10. LOANS

Analysis of the maturity of loans is given below:

	2020 £	2019 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	**296,236**	271,050
AMOUNTS FALLING DUE 1-2 YEARS		
Bank loans	**304,467**	279,273
AMOUNTS FALLING DUE 2-5 YEARS		
Bank loans	**965,105**	889,693
AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS		
Bank loans	**5,228,574**	5,627,467
	6,794,382	7,067,483

Bank loans are secured by a fixed charge over the assets of the company, Woodstown House Property Limited, Abercorn Property Limited and by a cross guarantee with 92 Higher Drive Limited, Woodstown Healthcare Limited and Abercorn House Healthcare Limited. The loan bears a minimum interest of 2.75% or 2.25% over the Bank of England base rate. The loan is repayable by instalments on a notional term of 20 years for 5 years from the first drawdown.

11. DEFERRED TAXATION

	2020 £
At beginning of year	**(209,356)**
Charged to profit or loss	**(39,453)**
AT END OF YEAR	**(248,809)**

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	**(248,809)**	(209,356)
	(248,809)	(209,356)

12. SHARE CAPITAL

	2020 £	2019 £
ALLOTTED, CALLED UP AND FULLY PAID		
100 (2019: 100) Ordinary shares of £1.00 each	**100**	100

13. CONTINGENT LIABILITIES

The company is subject to a fixed charge over its assets in favour of Triodos Bank plc with Abercorn Property Limited, Woodstown House Property Limited and by a cross guarantee with 92 Higher Drive Limited, Woodstown Healthcare Limited and Abercorn House Healthcare Limited fellow group companies, on loans totalling £13,475,470 (2019: £10,917,733).

14. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of a group whose consolidated financial statements are publicly available and has therefore taken advantage of exemption under Section 33 to not disclose transactions with other group companies.

15. CONTROLLING PARTY

The immediate and ultimate parent undertaking is Fairlie Holdings Limited, a company incorporated in the United Kingdom. The consolidated accounts are available from Companies House and the registered office of Fairlie Holdings Limited is Minerva House, Lower Bristol Road, Bath, BA2 9ER.

The ultimate controlling party is J G Whelan by virtue of his majority shareholdings in Fairlie Holdings Limited.

16. AUDITORS' INFORMATION

The auditors' report on the financial statements for the period ended 30 June 2020 was unqualified.

The audit report was signed on 15 September 2021 by Andrew Sandiford BCom FCA (Senior Statutory Auditor) on behalf of Bishop Fleming Bath Limited.

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.