

Company registration number 06655152 (England and Wales)

**AVERY HOMES CLIFTONVILLE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# **AVERY HOMES CLIFTONVILLE LIMITED**

## **COMPANY INFORMATION**

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|                          |                                                         |                              |
|--------------------------|---------------------------------------------------------|------------------------------|
| <b>Directors</b>         | M F Proctor                                             |                              |
|                          | J M B Strowbridge                                       |                              |
|                          | D A Reuben Jnr                                          | (Appointed 27 February 2023) |
|                          | C L C Colt                                              | (Appointed 27 February 2023) |
|                          | S Bratanis Olsson                                       | (Appointed 27 February 2023) |
| <b>Secretary</b>         | M F Proctor                                             |                              |
| <b>Company number</b>    | 06655152                                                |                              |
| <b>Registered office</b> | 3 Cygnet Drive<br>Swan Valley<br>Northampton<br>NN4 9BS |                              |
| <b>Auditor</b>           | Gerald Edelman LLP<br>73 Cornhill<br>London<br>EC3V 3QQ |                              |

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# **AVERY HOMES CLIFTONVILLE LIMITED**

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# **AVERY HOMES CLIFTONVILLE LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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The directors present the strategic report for the year ended 31 March 2022.

#### **Fair review of the business**

The Directors are pleased with the performance in the year, which is in line with expectations. Turnover for the year was £4.6m (2021: £5.0m). The Company recorded an operating loss of £0.3m (2021: loss of £0.1m).

#### **Principal risks and uncertainties**

- Continued assessment of the long term care sector and the potential changes on the horizon;
- Review of government policy and the impact on the care sector of proposed changes in either social economic terms or direct government focus.
- Respond to potential changes in the general political view of the privately provided care sector;
- Review of the housing market and pensions, enabling an assessment of service user's ability to pay for care services; and
- Managing the financial risk resulting from fluctuations in interest rates through appropriate hedging arrangements

#### **Objectives**

- To establish and integrate care homes within the Avery Healthcare group. They will all be of the highest quality from both an environmental and care delivery perspective;
- To recruit and provide training to staff of a similarly high calibre;
- Continue to evolve and use our quality assurance system to assist in this aim of providing high quality care to the vulnerable elderly;
- Continuous expenditure on the environment and fabric of the buildings. Continued recognition of the importance of this to the residents of our facilities;
- To achieve above industry average outcomes from reviews and inspections undertaken by sector regulators; and
- To achieve a financial performance in line with budget and in excess of sector norms.

#### **How we will achieve this**

- Providing a career path for all our staff;
- Providing the training and support to teach staff the art of caring;
- Complying with all regulatory requirements; and
- Providing better care than our competitors.

#### **How we will assess our performance**

- Close supervision of home managers by high calibre and experienced regional managers;
- Achievable care home budgets; and
- Weekly reporting to care home managers on key performance indicators.

# **AVERY HOMES CLIFTONVILLE LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2022***

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### **Key performance indicators**

The Company monitors the performance of the business using the following:

- Earnings before interest, depreciation, amortisation and tax; and
- Operating cash generation.

Other indicators are occupancy rates and the proportion of private pay clients who are attracted to homes of a high standard.

On behalf of the board

M F Proctor  
**Director**

30 March 2023

# **AVERY HOMES CLIFTONVILLE LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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The directors present their annual report and financial statements for the year ended 31 March 2022.

#### **Principal activities**

The principal activity of the Company is the operation of a care home together with the provision of specialist services for the elderly.

#### **Results and dividends**

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

|                   |                              |
|-------------------|------------------------------|
| M F Proctor       |                              |
| J M B Strowbridge |                              |
| I Matthews        | (Resigned 9 March 2022)      |
| D A Reuben Jnr    | (Appointed 27 February 2023) |
| C L C Colt        | (Appointed 27 February 2023) |
| S Bratanis Olsson | (Appointed 27 February 2023) |

#### **Auditor**

Gerald Edelman LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements 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 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.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

# **AVERY HOMES CLIFTONVILLE LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2022***

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### **Going Concern**

The group headed by Avery Healthcare Holdings Limited has agreed to continue to provide the Company with the necessary financial support and working capital for at least one year from the date of the approval of these financial statements to allow the Company to meet its liabilities as they fall due. The Company is also subject to cross guaranteed property leasing with other group undertakings. Detailed information regarding the financial position of the Group headed by Avery Healthcare Holdings Limited, its cash flows, liquidity position and borrowing facilities are included in the financial statements of Avery Healthcare Holdings Limited, which can be obtained from Companies House.

The Group meets its day-to-day working capital requirements through operating cash flows and debt financing. Having reviewed the groups financial forecasts and expected future cash flows, the directors are confident that the group has adequate resources to continue in operational existence for the foreseeable future. Consequently, the directors are confident that the group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

On behalf of the board

M F Proctor  
**Director**

30 March 2023

# **AVERY HOMES CLIFTONVILLE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF AVERY HOMES CLIFTONVILLE LIMITED**

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#### **Opinion**

We have audited the financial statements of Avery Homes Cliftonville Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 March 2022 and of its loss 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 *Auditor's 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 UK, including the FRC'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 auditor's 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.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

# **AVERY HOMES CLIFTONVILLE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF AVERY HOMES CLIFTONVILLE LIMITED**

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#### **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 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, 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.

#### **Auditor's 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 auditor's 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.

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in posting of unusual journals.
- Obtaining understanding of the legal and regulatory framework the group operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act, tax legislation, employment law and, Health and Safety.

# **AVERY HOMES CLIFTONVILLE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF AVERY HOMES CLIFTONVILLE LIMITED**

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To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Auditing the risk of management override of controls, including through testing journal entries for appropriateness and reviewing large and unusual bank transactions.

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but are not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation.
- Enquiring of management as to actual and potential litigation claims.
- Reviewing relevant profit and loss account items for evidence of litigation.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the further removed those laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the directors.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Other matters which we are required to address**

In accordance with ISA (UK) 706, we are required to draw users' attention to any matter or matters other than those presented or disclosed in the financial statements that are relevant to users' understanding of the audit, the auditor's responsibilities or the auditor's report.

In this regard, we report to you that the prior year's financial statements are unaudited. We have nothing further to report to you on other matters.

#### **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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Stephen Coleman ACA**  
**Senior Statutory Auditor**  
**For and on behalf of Gerald Edelman LLP**

30 March 2023

**Chartered Accountants**  
**Statutory Auditor**

73 Cornhill  
London  
EC3V 3QQ

# **AVERY HOMES CLIFTONVILLE LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 MARCH 2022**

|                                       | Notes    | 2022<br>£   | 2021<br>£   |
|---------------------------------------|----------|-------------|-------------|
| <b>Turnover</b>                       | <b>3</b> | 4,642,067   | 4,972,753   |
| Cost of sales                         |          | (2,316,550) | (2,320,522) |
| <b>Gross profit</b>                   |          | 2,325,517   | 2,652,231   |
| Administrative expenses               |          | (2,827,938) | (2,638,206) |
| Other operating income                | <b>3</b> | 268,881     | 55,612      |
| Exceptional item                      | <b>4</b> | (112,381)   | (174,094)   |
| <b>Operating loss</b>                 | <b>5</b> | (345,921)   | (104,457)   |
| Interest payable and similar expenses | <b>7</b> | (509)       | (509)       |
| <b>Loss before taxation</b>           |          | (346,430)   | (104,966)   |
| Tax on loss                           | <b>8</b> | 7,544       | 19,023      |
| <b>Loss for the financial year</b>    |          | (338,886)   | (85,943)    |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# **AVERY HOMES CLIFTONVILLE LIMITED**

## **BALANCE SHEET**

**AS AT 31 MARCH 2022**

|                                                                |       | 2022        | 2021        |
|----------------------------------------------------------------|-------|-------------|-------------|
|                                                                | Notes | £           | £           |
| <b>Fixed assets</b>                                            |       |             |             |
| Tangible assets                                                | 9     | 160,722     | 181,437     |
| <b>Current assets</b>                                          |       |             |             |
| Stocks                                                         | 10    | 4,850       | 4,850       |
| Debtors                                                        | 11    | 9,849,734   | 9,070,741   |
| Cash at bank and in hand                                       |       | 188,495     | 176,727     |
|                                                                |       | 10,043,079  | 9,252,318   |
| <b>Creditors: amounts falling due within one year</b>          | 12    | (8,814,060) | (7,816,820) |
| <b>Net current assets</b>                                      |       | 1,229,019   | 1,435,498   |
| <b>Total assets less current liabilities</b>                   |       | 1,389,741   | 1,616,935   |
| <b>Creditors: amounts falling due after more than one year</b> | 13    | (2,477,841) | (2,366,149) |
| <b>Net liabilities</b>                                         |       | (1,088,100) | (749,214)   |
| <b>Capital and reserves</b>                                    |       |             |             |
| Called up share capital                                        | 17    | 1           | 1           |
| Profit and loss reserves                                       |       | (1,088,101) | (749,215)   |
| <b>Total equity</b>                                            |       | (1,088,100) | (749,214)   |

The financial statements were approved by the board of directors and authorised for issue on 30 March 2023 and are signed on its behalf by:

M F Proctor  
Director

Company Registration No. 06655152

# AVERY HOMES CLIFTONVILLE LIMITED

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

|                                                  | Share capital | Profit and loss reserves | Total       |
|--------------------------------------------------|---------------|--------------------------|-------------|
|                                                  | £             | £                        | £           |
| Balance at 1 April 2020                          | 1             | (663,272)                | (663,271)   |
| <b>Year ended 31 March 2021:</b>                 |               |                          |             |
| Loss and total comprehensive income for the year | -             | (85,943)                 | (85,943)    |
| Balance at 31 March 2021                         | 1             | (749,215)                | (749,214)   |
| <b>Year ended 31 March 2022:</b>                 |               |                          |             |
| Loss and total comprehensive income for the year | -             | (338,886)                | (338,886)   |
| Balance at 31 March 2022                         | 1             | (1,088,101)              | (1,088,100) |

# AVERY HOMES CLIFTONVILLE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

#### Company information

Avery Homes Cliftonville Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3 Cygnet Drive, Swan Valley, Northampton, NN4 9BS.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Avery Homes Cliftonville Limited is a wholly owned subsidiary of Willowbrook Healthcare Debtco Limited and the results of Avery Homes Cliftonville Limited are included in the consolidated financial statements of Avery Healthcare Holdings Limited which are available from Companies House. The registered address of Avery Healthcare Holdings Limited is 3 Cygnet Drive, Swan Valley, Northampton, NN4 9BS.

#### 1.2 Going concern

The group headed by Avery Healthcare Holdings Limited has agreed to continue to provide the Company with the necessary financial support and working capital for at least one year from the date of the approval of these financial statements to allow the Company to meet its liabilities as they fall due. The Company is also subject to cross guaranteed property leasing with other group undertakings. Detailed information regarding the financial position of the Group headed by Avery Healthcare Holdings Limited, its cash flows, liquidity position and borrowing facilities are included in the financial statements of Avery Healthcare Holdings Limited, which can be obtained from Companies House.

The Group meets its day-to-day working capital requirements through operating cash flows and debt financing. Having reviewed the groups financial forecasts and expected future cash flows, the directors are confident that the group has adequate resources to continue in operational existence for the foreseeable future. Consequently, the directors are confident that the group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

# EVERY HOMES CLIFTONVILLE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### 1.3 Turnover

Turnover represents fee income relating to the provision of care services, net of value added tax, if applicable and the sale of properties acquired or developed by the Company where a forward sales agreement is in place. Fee income comprises care fees which are recognised when the delivery of the service is completed. Fees invoiced in advance are included as deferred income until the service is completed.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

|                        |          |
|------------------------|----------|
| Leasehold improvements | 50 years |
| Fixtures and fittings  | 3 years  |
| Computers              | 4 years  |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of fixed assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Stocks

Stocks are stated at cost. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

# EVERY HOMES CLIFTONVILLE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its cost is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash and cash equivalents

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

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

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

# EVERY HOMES CLIFTONVILLE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

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

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.10 Taxation

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

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

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

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

# **AVERY HOMES CLIFTONVILLE LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2022**

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### **1 Accounting policies**

**(Continued)**

#### **1.11 Employee benefits**

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

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

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

#### **1.12 Retirement benefits**

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

#### **1.13 Leases**

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

#### **1.14 Government grants**

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

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

#### **1.15 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### **2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### **3 Turnover and other revenue**

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# AVERY HOMES CLIFTONVILLE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 3 Turnover and other revenue (Continued)

|                      | 2022           | 2021     |
|----------------------|----------------|----------|
|                      | £              | £        |
| <b>Other revenue</b> |                |          |
| Grants received      | 268,881        | -        |
|                      | <u>268,881</u> | <u>-</u> |

Turnover is derived entirely in the UK from the principal activities of the Company.

Included in grants received is an amount of £8,251 (2021: £55,612) relating to the Coronavirus Job Retention Scheme. The rest of the grants related to funding in respect of COVID support.

### 4 Exceptional item

|                                                             | 2022           | 2021           |
|-------------------------------------------------------------|----------------|----------------|
|                                                             | £              | £              |
| <b>Expenditure</b>                                          |                |                |
| Future operating lease rental increases charged in the year | 112,381        | 174,094        |
|                                                             | <u>112,381</u> | <u>174,094</u> |

Future operating lease rental increases charged in the year represents the difference between operating lease cash payments and the profit and loss account charge arising on guaranteed annual rental increases which are spread over the lease term.

### 5 Operating loss

|                                                                                           | 2022             | 2021             |
|-------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                           | £                | £                |
| Operating loss for the year is stated after charging/(crediting):                         |                  |                  |
| Government grants                                                                         | (268,881)        | -                |
| Fees payable to the company's auditor for the audit of the company's financial statements | -                | -                |
| Depreciation of owned tangible fixed assets                                               | 67,195           | 73,034           |
| Operating lease charges                                                                   | 1,620,215        | 1,573,024        |
|                                                                                           | <u>1,418,529</u> | <u>1,646,058</u> |

### 6 Employees

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

|                                     | 2022      | 2021      |
|-------------------------------------|-----------|-----------|
|                                     | Number    | Number    |
| Management and administrative staff | 5         | 6         |
| Nursing, care and domestic staff    | 78        | 91        |
|                                     | <u>83</u> | <u>97</u> |
| Total                               | <u>83</u> | <u>97</u> |

# AVERY HOMES CLIFTONVILLE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 6 Employees (Continued)

Their aggregate remuneration comprised:

|                       | 2022<br>£        | 2021<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 2,072,550        | 2,080,147        |
| Social security costs | 147,933          | 152,228          |
| Pension costs         | 32,304           | 34,482           |
|                       | <u>2,252,787</u> | <u>2,266,857</u> |

### 7 Interest payable and similar expenses

|                                                        | 2022<br>£  | 2021<br>£  |
|--------------------------------------------------------|------------|------------|
| Interest on finance leases and hire purchase contracts | 509        | 509        |
|                                                        | <u>509</u> | <u>509</u> |

### 8 Taxation

|                                                      | 2022<br>£      | 2021<br>£       |
|------------------------------------------------------|----------------|-----------------|
| <b>Current tax</b>                                   |                |                 |
| UK corporation tax on profits for the current period | -              | (16,448)        |
|                                                      | <u>-</u>       | <u>(16,448)</u> |
| <b>Deferred tax</b>                                  |                |                 |
| Origination and reversal of timing differences       | (7,544)        | (2,575)         |
|                                                      | <u>(7,544)</u> | <u>(2,575)</u>  |
| Total tax credit                                     | <u>(7,544)</u> | <u>(19,023)</u> |

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

|                                                                                                      | 2022<br>£        | 2021<br>£        |
|------------------------------------------------------------------------------------------------------|------------------|------------------|
| Loss before taxation                                                                                 | <u>(346,430)</u> | <u>(104,966)</u> |
| Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%) | (65,822)         | (19,944)         |
| Tax effect of expenses that are not deductible in determining taxable profit                         | 2,475            | 959              |
| Adjustments in respect of prior years                                                                | 682              | (68)             |
| Group relief                                                                                         | 62,311           | -                |
| Deferred tax adjustments in respect of prior years                                                   | -                | 30               |
| Deferred tax charge                                                                                  | <u>(7,190)</u>   | <u>-</u>         |
| Taxation credit for the year                                                                         | <u>(7,544)</u>   | <u>(19,023)</u>  |

# AVERY HOMES CLIFTONVILLE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 9 Tangible fixed assets

|                                    | Leasehold<br>improvements<br>£ | Fixtures and<br>fittings<br>£ | Computers<br>£ | Total<br>£ |
|------------------------------------|--------------------------------|-------------------------------|----------------|------------|
| <b>Cost</b>                        |                                |                               |                |            |
| At 1 April 2021                    | 157,142                        | 407,928                       | 41,488         | 606,558    |
| Additions                          | 13,574                         | 31,376                        | 1,530          | 46,480     |
| At 31 March 2022                   | 170,716                        | 439,304                       | 43,018         | 653,038    |
| <b>Depreciation and impairment</b> |                                |                               |                |            |
| At 1 April 2021                    | 127,231                        | 269,123                       | 28,767         | 425,121    |
| Depreciation charged in the year   | 14,548                         | 47,748                        | 4,899          | 67,195     |
| At 31 March 2022                   | 141,779                        | 316,871                       | 33,666         | 492,316    |
| <b>Carrying amount</b>             |                                |                               |                |            |
| At 31 March 2022                   | 28,937                         | 122,433                       | 9,352          | 160,722    |
| At 31 March 2021                   | 29,911                         | 138,805                       | 12,721         | 181,437    |

### 10 Stocks

|                               | 2022<br>£ | 2021<br>£ |
|-------------------------------|-----------|-----------|
| Raw materials and consumables | 4,850     | 4,850     |

### 11 Debtors

|                                             | 2022<br>£ | 2021<br>£ |
|---------------------------------------------|-----------|-----------|
| <b>Amounts falling due within one year:</b> |           |           |
| Trade debtors                               | 315,735   | 229,948   |
| Amounts owed by group undertakings          | 9,355,584 | 8,562,887 |
| Other debtors                               | 5,973     | 116,043   |
| Prepayments and accrued income              | 142,651   | 139,616   |
| Deferred tax asset (note 15)                | 29,791    | 22,247    |
|                                             | 9,849,734 | 9,070,741 |

# **EVERY HOMES CLIFTONVILLE LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2022**

### **12 Creditors: amounts falling due within one year**

|                                    | <b>2022</b>      | <b>2021</b>      |
|------------------------------------|------------------|------------------|
|                                    | <b>£</b>         | <b>£</b>         |
| Trade creditors                    | 66,724           | 44,286           |
| Amounts owed to group undertakings | 7,502,567        | 6,308,136        |
| Group relief payable               | 53,368           | 53,368           |
| Other taxation and social security | 222,383          | 340,044          |
| Other creditors                    | 649,205          | 755,428          |
| Accruals and deferred income       | 319,813          | 315,558          |
|                                    | <u>8,814,060</u> | <u>7,816,820</u> |

### **13 Creditors: amounts falling due after more than one year**

|                                               | <b>2022</b>  | <b>2021</b>      |
|-----------------------------------------------|--------------|------------------|
|                                               | <b>£</b>     | <b>£</b>         |
|                                               | <b>Notes</b> |                  |
| Obligations under finance leases              | <b>14</b>    | 917              |
| Accruals for future property rental increases |              | 1,604            |
|                                               |              | <u>2,476,924</u> |
|                                               |              | <u>2,477,841</u> |
|                                               |              | <u>2,366,149</u> |

Accruals for future property rental increases have arisen from spreading guaranteed future rent increases over the lease term.

### **14 Finance lease obligations**

|                                                         | <b>2022</b>  | <b>2021</b>  |
|---------------------------------------------------------|--------------|--------------|
|                                                         | <b>£</b>     | <b>£</b>     |
| Future minimum lease payments due under finance leases: |              |              |
| Within one year                                         | 1,138        | 1,197        |
| In two to five years                                    | 271          | 1,594        |
|                                                         | <u>1,409</u> | <u>2,791</u> |
| Less: future finance charges                            | (492)        | (1,187)      |
|                                                         | <u>917</u>   | <u>1,604</u> |

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

# AVERY HOMES CLIFTONVILLE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 15 Deferred taxation

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

|                                | <b>Assets<br/>2022<br/>£</b> | <b>Assets<br/>2021<br/>£</b> |
|--------------------------------|------------------------------|------------------------------|
| <b>Balances:</b>               |                              |                              |
| Accelerated capital allowances | 29,791                       | 22,247                       |
|                                | <u>          </u>            | <u>          </u>            |
| <b>Movements in the year:</b>  |                              | <b>2022<br/>£</b>            |
| Asset at 1 April 2021          |                              | (22,247)                     |
| Credit to profit or loss       |                              | (7,544)                      |
|                                |                              | <u>          </u>            |
| Asset at 31 March 2022         |                              | (29,791)                     |
|                                |                              | <u>          </u>            |

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

### 16 Retirement benefit schemes

|                                                                     | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
|---------------------------------------------------------------------|-------------------|-------------------|
| <b>Defined contribution schemes</b>                                 |                   |                   |
| Charge to profit or loss in respect of defined contribution schemes | 32,304            | 34,482            |
|                                                                     | <u>          </u> | <u>          </u> |

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

### 17 Share capital

|                                                         | <b>2022<br/>Number</b> | <b>2021<br/>Number</b> | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
|---------------------------------------------------------|------------------------|------------------------|-------------------|-------------------|
| <b>Ordinary share capital<br/>Issued and fully paid</b> |                        |                        |                   |                   |
| Ordinary shares of £1 each                              | 1                      | 1                      | 1                 | 1                 |
|                                                         | <u>          </u>      | <u>          </u>      | <u>          </u> | <u>          </u> |

# AVERY HOMES CLIFTONVILLE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 18 Operating lease commitments

#### Lessee

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

|                            | 2022<br>£         | 2021<br>£         |
|----------------------------|-------------------|-------------------|
| Within one year            | 1,668,821         | 1,620,215         |
| Between two and five years | 7,191,176         | 6,981,724         |
| In over five years         | 13,268,835        | 15,147,108        |
|                            | <u>22,128,832</u> | <u>23,749,047</u> |

### 19 Financial commitments, guarantees and contingent liabilities

The Company, together with a number of its fellow subsidiary undertakings, has entered into a cross collateralised security arrangement to secure the Group's operating leases with Welltower Inc of Toledo, USA.

### 20 Ultimate controlling party

At the year end, the company was a subsidiary undertaking of Willowbrook Healthcare Debtco Limited. The ultimate controlling party is Veilchenblau Estates Ltd, incorporated in England and Wales.

The largest group in which the results of the Company were consolidated was that headed by Veilchenblau Estates Ltd. The smallest group in which the results of the Company were consolidated was that headed by Avery Healthcare Holdings Limited.

The company's ultimate UK parent is Veilchenblau Estates Ltd; whose accounts are available from Companies House. The registered address for Veilchenblau Estates Ltd is Millbank Tower, 21-24 Millbank, London SW 1P 4QP.

The ultimate parent company is Landal Worldwide Corp, a company registered in British Virgin Islands.

The registered address for Landal Worldwide Corp is 2nd Floor O'Neal Marketing Associates Building, PO Box 3174, Wickham's Cay II, Road Town, Tortola, British Virgin Islands.

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.