

Company registration number 06655152 (England and Wales)

AVERY HOMES CLIFTONVILLE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

AVERY HOMES CLIFTONVILLE LIMITED

COMPANY INFORMATION

Directors	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)
Secretary	R A Clements	
Company number	06655152	
Registered office	3 Cygnet Drive Swan Valley Northampton NN4 9BS	
Auditor	Gerald Edelman LLP 73 Cornhill London EC3V 3QQ	

AVERY HOMES CLIFTONVILLE LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 21

AVERY HOMES CLIFTONVILLE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Review of the business

The performance in the year is in line with expectations. Turnover for the year was £3.4m (2022: £4.6m). The Company recorded an operating loss of £1.5m (2022: operating loss of £0.3m).

Principal risks and uncertainties

The Company is a subsidiary of Willowbrook Healthcare Debtco Limited and is managed on a unified basis as part of the Avery Healthcare Group. The principal risks faced by the Company reflect those of the Avery Healthcare Group in delivering its strategic priorities for the forthcoming year. These are listed below:

- 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 2023

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

S Bratanis Olsson
Director

28 March 2024

AVERY HOMES CLIFTONVILLE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

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	(Resigned 28 April 2023)
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)

Auditor

In accordance with the company's articles, a resolution proposing that Gerald Edelman LLP be reappointed as auditor of the company 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 2023

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

S Bratanis Olsson
Director

28 March 2024

AVERY HOMES CLIFTONVILLE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AVERY HOMES CLIFTONVILLE LIMITED

Opinion

We have audited the financial statements of Avery Homes Cliftonville Limited (the 'company') for the year ended 31 March 2023 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 2023 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

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 company operates in focusing on those laws and regulations that had a direct material effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context include Care Quality Commission ("CQC") compliance, UK Companies Act, tax legislation, data protection, anti-bribery, employment and health and safety.

AVERY HOMES CLIFTONVILLE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AVERY HOMES CLIFTONVILLE LIMITED

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.
- Reviewing minutes of meetings of those charged with governance
- Enquiring of management as to actual and potential litigation and claims
- Reviewing correspondence with HMRC
- Inspection of regulatory documentation for compliance with CQC requirements and making enquiries with management regarding communication with the CQC.

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.

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.

Mr Grant Lee FCA
Senior Statutory Auditor
For and on behalf of Gerald Edelman LLP

28 March 2024

Chartered Accountants
Statutory Auditor

73 Cornhill
London
EC3V 3QQ

AVERY HOMES CLIFTONVILLE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
	Notes	£	£
Turnover	3	3,393,613	4,642,067
Cost of sales		(2,402,354)	(2,316,550)
		<u>991,259</u>	<u>2,325,517</u>
Gross profit			
Administrative expenses		(2,709,950)	(2,940,319)
Other operating income	4	181,900	268,881
		<u>(1,536,791)</u>	<u>(345,921)</u>
Operating loss	5		
Interest payable and similar expenses	7	(467)	(509)
		<u>(1,537,258)</u>	<u>(346,430)</u>
Loss before taxation			
Tax on loss	8	(231)	7,544
		<u>(1,537,489)</u>	<u>(338,886)</u>
Loss for the financial year			

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

AVERY HOMES CLIFTONVILLE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

		2023	2022
	Notes	£	£
Fixed assets			
Tangible assets	9	241,101	160,722
Current assets			
Stocks	10	7,215	4,850
Debtors	11	10,316,672	9,849,734
Cash at bank and in hand		88,006	188,495
		10,411,893	10,043,079
Creditors: amounts falling due within one year	12	(10,737,597)	(8,814,060)
Net current (liabilities)/assets		(325,704)	1,229,019
Total assets less current liabilities		(84,603)	1,389,741
Creditors: amounts falling due after more than one year	13	(2,540,986)	(2,477,841)
Net liabilities		(2,625,589)	(1,088,100)
Capital and reserves			
Called up share capital	17	1	1
Profit and loss reserves		(2,625,590)	(1,088,101)
Total equity		(2,625,589)	(1,088,100)

The financial statements were approved by the board of directors and authorised for issue on 28 March 2024 and are signed on its behalf by:

S Bratanis Olsson
Director

Company Registration No. 06655152

AVERY HOMES CLIFTONVILLE LIMITED

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

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2021	1	(749,215)	(749,214)
Year ended 31 March 2022:			
Loss and total comprehensive income for the year	-	(338,886)	(338,886)
Balance at 31 March 2022	1	(1,088,101)	(1,088,100)
Year ended 31 March 2023:			
Loss and total comprehensive income for the year	-	(1,537,489)	(1,537,489)
Balance at 31 March 2023	1	(2,625,590)	(2,625,589)

AVERY HOMES CLIFTONVILLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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 2023

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. 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 statement of comprehensive income 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	5 years
Fixtures and fittings	7 years
Computers	5 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.

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.

EVERY HOMES CLIFTONVILLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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.

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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

EVERY HOMES CLIFTONVILLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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 statement of comprehensive income 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.

EVERY HOMES CLIFTONVILLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Deferred tax

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

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

1.11 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.

EVERY HOMES CLIFTONVILLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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

	2023 £	2022 £
Turnover	3,393,613	4,642,067

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

4 Other operating income

	2023 £	2022 £
Grants received	93,222	268,881
Other operating income	88,678	-
	181,900	268,881

Included in grants received is an amount of £nil (2022: £8,251) relating to the Coronavirus Job Retention Scheme. The rest of the grants related to funding in respect of COVID support.

5 Operating loss

	2023 £	2022 £
Operating loss for the year is stated after charging/(crediting):		
Government grants	(93,222)	(268,881)
Fees payable to the company's auditor for the audit of the company's financial statements	-	-
Depreciation of owned tangible fixed assets	75,469	67,195
Future property rental increases charged in the year*	63,775	112,381
Operating lease charges	1,668,821	1,620,215

Fees payable to the company's auditor for the audit of these financial statement are settled by another group company Willowbrook Healthcare Limited

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

*In 2022, the future property rental increases were shown separately in the statement of comprehensive income as an exceptional item.

EVERY HOMES CLIFTONVILLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Employees

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

	2023 Number	2022 Number
Management and administrative staff	5	5
Nursing, care and domestic staff	70	78
Total	75	83

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	2,250,307	2,072,550
Social security costs	145,304	147,933
Pension costs (Note 16)	26,386	32,304
	2,421,997	2,252,787

7 Interest payable and similar expenses

	2023 £	2022 £
Interest on finance leases and hire purchase contracts	467	509

8 Taxation

	2023 £	2022 £
Deferred tax		
Origination and reversal of timing differences	231	(7,544)

AVERY HOMES CLIFTONVILLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Taxation

(Continued)

The actual charge/(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:

	2023 £	2022 £
Loss before taxation	(1,537,258)	(346,430)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	(292,079)	(65,822)
Tax effect of expenses that are not deductible in determining taxable profit	5,097	2,475
Adjustments in respect of prior years	4,055	682
Effect of change in corporation tax rate	(162)	-
Group relief	284,110	62,311
Deferred tax charge	(879)	(7,190)
Restricted interest	89	-
Taxation charge/(credit) for the year	231	(7,544)

9 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 April 2022	170,716	439,304	43,018	653,038
Additions	72,209	74,259	9,380	155,848
At 31 March 2023	242,925	513,563	52,398	808,886
Depreciation and impairment				
At 1 April 2022	141,779	316,871	33,666	492,316
Depreciation charged in the year	22,770	48,360	4,339	75,469
At 31 March 2023	164,549	365,231	38,005	567,785
Carrying amount				
At 31 March 2023	78,376	148,332	14,393	241,101
At 31 March 2022	28,937	122,433	9,352	160,722

10 Stocks

	2023 £	2022 £
Raw materials and consumables	7,215	4,850

AVERY HOMES CLIFTONVILLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	248,790	315,735
Amounts owed by group undertakings	9,874,927	9,355,584
Other debtors	-	5,973
Prepayments and accrued income	163,395	142,651
	<u>10,287,112</u>	<u>9,819,943</u>
Deferred tax asset (note 15)	29,560	29,791
	<u>10,316,672</u>	<u>9,849,734</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

12 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	85,286	66,724
Amounts owed to group undertakings	9,745,770	7,502,567
Group relief payable	53,368	53,368
Other taxation and social security	59,403	222,383
Other creditors	552,858	649,205
Accruals and deferred income	240,912	319,813
	<u>10,737,597</u>	<u>8,814,060</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

13 Creditors: amounts falling due after more than one year

		2023	2022
	Notes	£	£
Obligations under finance leases	14	287	917
Accruals for future property rental increases		2,540,699	2,476,924
		<u>2,540,986</u>	<u>2,477,841</u>

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

AVERY HOMES CLIFTONVILLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Finance lease obligations

	2023	2022
	£	£
Future minimum lease payments due under finance leases:		
Within one year	398	1,138
In one to five years	-	271
	<u>398</u>	<u>1,409</u>
Less: future finance charges	(111)	(492)
	<u>287</u>	<u>917</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.

15 Deferred taxation

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

	Assets 2023	Assets 2022
	£	£
Balances:		
Accelerated capital allowances	<u>29,560</u>	<u>29,791</u>
Movements in the year:		2023 £
Asset at 1 April 2022		(29,791)
Charge to profit or loss		231
Asset at 31 March 2023		<u>(29,560)</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

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>26,386</u>	<u>32,304</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.

AVERY HOMES CLIFTONVILLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	1	1	1	1

18 Financial commitments, guarantees and contingent liabilities

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

19 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:

	2023	2022
	£	£
Within one year	1,718,886	1,668,821
Between one and five years	7,406,911	7,191,176
In over five years	11,334,214	13,268,835
	<u>20,460,011</u>	<u>22,128,832</u>

This operating lease is with Well Tower Inc, which is a related party.

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 IP 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.