
AVERY HOMES CLIFTONVILLE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

AVERY HOMES CLIFTONVILLE LIMITED

COMPANY INFORMATION

Directors	C L C Colt S B Olsson R A Reuben J M B Strowbridge
Company secretary	R A Clements
Registered number	06655152
Registered office	3 Cygnet Drive Swan Valley Northampton NN4 9BS
Independent auditor	Adler Shine LLP Chartered Accountants & Statutory Auditor Aston House Cornwall Avenue London N3 1LF

AVERY HOMES CLIFTONVILLE LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2024

Introduction

The directors present the strategic report for the year ended 31 March 2024.

Business review

The performance in the year is in line with expectations. Turnover for the year was £4.2m (2023: £3.4m). The Company recorded an operating loss of £0.9m (2023: £1.5m).

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 or 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 Holdings 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.

Financial 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.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Other key performance indicators

Management monitor and review financial and non-financial KPIs such as: occupancy rates, average fee rates, agency usage and its Care Quality Commission ratings.

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

.....
S B Olsson

Director

Date: 23 December 2024

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

The directors present their report and the financial statements for the year ended 31 March 2024.

Directors' responsibilities statement

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

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

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 loss for the year, after taxation, amounted to £381,412 (2023 - loss £1,537,489).

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

Directors

The directors who served during the year were:

C L C Colt
S B Olsson
R A Reuben
J M B Strowbridge
M F Proctor (resigned 28 April 2023)

Future developments

The Company continues to drive the same standards and service levels while seeking to continue to grow the business and its offering.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Disclosure of information to auditors

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

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

Post balance sheet events

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

Auditors

Adler Shine LLP was appointed as auditor in the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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 group's 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..

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

.....
S B Olsson

Director

Date: 23 December 2024

INDEPENDENT AUDITORS' 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 2024, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2024 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVERY HOMES CLIFTONVILLE LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVERY HOMES CLIFTONVILLE LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have:

- considered the nature of the industry and sectors, control environment and business performance;
- made enquires of management about their own identification and assessment of the risk of irregularities;
- performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- identified and evaluated compliance with relevant laws and regulations and made enquiries of any instances of non-compliance. The key laws and regulations we considered in this context included UK Companies Act, data protection, anti-bribery, employment law, health and safety, tax legislation, Money Laundering Act and Care Quality Commission (CQC) regulations.
- discussed matters among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

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 review of large and unusual bank transactions.

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

- agreeing financial statements disclosures to underlying supporting documentation.
- reviewing of 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 CQC.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EVERY HOMES CLIFTONVILLE LIMITED (CONTINUED)

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Alexander Chrysaphiades FCA (Senior Statutory Auditor)

for and on behalf of

Adler Shine LLP

Chartered Accountants

Statutory Auditor

Aston House

Cornwall Avenue

London

N3 1LF

23 December 2024

AVERY HOMES CLIFTONVILLE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

		2024 £	2023 £
Turnover	4	4,179,676	3,393,613
Cost of sales		(2,470,916)	(2,402,354)
Gross profit		1,708,760	991,259
Administrative expenses		(2,615,991)	(2,709,950)
Other operating income	5	946	181,900
Operating loss	6	(906,285)	(1,536,791)
Interest payable and similar expenses		(212)	(467)
Loss before tax		(906,497)	(1,537,258)
Tax on loss		525,085	(231)
Loss for the financial year		(381,412)	(1,537,489)

There were no recognised gains and losses for 2024 or 2023 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2024 (2023:£NIL).

The notes on pages 12 to 26 form part of these financial statements.

AVERY HOMES CLIFTONVILLE LIMITED
REGISTERED NUMBER: 06655152

BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	11	207,787	241,101
		<u>207,787</u>	<u>241,101</u>
Current assets			
Stocks	12	8,612	7,215
Debtors: amounts falling due within one year	13	12,690,640	10,316,673
Cash at bank and in hand	14	261,159	88,005
		<u>12,960,411</u>	<u>10,411,893</u>
Creditors: amounts falling due within one year	15	(13,616,043)	(10,737,597)
Net current liabilities		<u>(655,632)</u>	<u>(325,704)</u>
Total assets less current liabilities		<u>(447,845)</u>	<u>(84,603)</u>
Creditors: amounts falling due after more than one year	16	(2,559,156)	(2,540,986)
Net liabilities		<u><u>(3,007,001)</u></u>	<u><u>(2,625,589)</u></u>
Capital and reserves			
Called up share capital	19	1	1
Profit and loss account		(3,007,002)	(2,625,590)
Total equity		<u><u>(3,007,001)</u></u>	<u><u>(2,625,589)</u></u>

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

.....
S B Olsson
Director

Date: 23 December 2024

The notes on pages 12 to 26 form part of these financial statements.

AVERY HOMES CLIFTONVILLE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2022	1	(1,088,101)	(1,088,100)
Comprehensive income for the year			
Loss for the year	-	(1,537,489)	(1,537,489)
At 1 April 2023	1	(2,625,590)	(2,625,589)
Comprehensive income for the year			
Loss for the year	-	(381,412)	(381,412)
At 31 March 2024	1	(3,007,002)	(3,007,001)

The notes on pages 12 to 26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1. General 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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in Pounds sterling, which is the functional currency of the Company, rounded to the nearest £1.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

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 following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of Avery Healthcare Holdings Limited as at 31 March 2024 and these financial statements may be obtained from Companies House.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.3 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.

2.4 Revenue

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

Rendering of services

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

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

2.5 Operating leases: the Company as lessee

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.6 Government grants

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

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.7 Finance costs

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

2.8 Pensions

Defined contribution pension plan

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

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

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.10 Tangible fixed assets

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

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

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

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

Depreciation is provided on the following basis:

Leasehold improvements	- 5 years
Fixtures and fittings	- 7 years
Computer equipment	- 5 years

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

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

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 Debtors

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.13 Cash and cash equivalents

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

2.14 Creditors

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

2.15 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.16 Financial instruments

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

Financial instruments are recognised in the 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 trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

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

Impairment of financial assets

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

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.16 Financial instruments (continued)

impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

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

Financial liabilities

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

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

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

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

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

3. Judgements in applying accounting policies 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.

The key assumptions and other key sources of uncertainty that have a significant effect on the amount recognised in the financial statements are described below:

Tangible fixed assets

Judgements have been made in relation to the lives of tangible fixed assets, in particular the valuation, the useful economic life and residual value of assets. The Directors are also required to consider the carrying value of assets and whether any impairment is required, or reversal of previously recognised impairments.

The Directors have concluded that the asset values and residual values are appropriate and are satisfied that assets are fairly stated at the balance sheet date.

Provisions

The Directors have considered the requirement for provisions in respect of the recoverability of the value of assets and debts, as well as provisions for liabilities (including accrued expenses) based on reasonable expectations, knowledge of the business and historic trends.

Judgements have been made in relation to the recoverability of debtors and the Directors are satisfied that adequate provision is made such that debts stated net of provisions are recoverable.

The Directors have considered and concluded that the valuations of provisions are appropriate.

4. Turnover

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

	2024 £	2023 £
Turnovers	4,179,676	3,393,613
	<u>4,179,676</u>	<u>3,393,613</u>

All turnover arose within the United Kingdom.

AVERY HOMES CLIFTONVILLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

5. Other operating income

	2024	2023
	£	£
Other operating income	946	88,678
Government grants receivable	-	93,222
	<u>946</u>	<u>181,900</u>

Grants received relate to government funding in relation to COVID support.

6. Operating loss

The operating loss is stated after charging:

	2024	2023
	£	£
Government grants	-	(93,222)
Depreciation of owned tangible fixed assets	63,479	75,469
Other operating lease rentals	<u>1,737,343</u>	<u>1,732,596</u>

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

7. Auditors' remuneration

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

AVERY HOMES CLIFTONVILLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

8. Employees

Staff costs were as follows:

	2024 £	2023 £
Wages and salaries	2,219,148	2,250,306
Social security costs	191,842	145,305
Cost of defined contribution scheme	35,482	26,386
	<u>2,446,472</u>	<u>2,421,997</u>

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

	2024 No.	2023 No.
Management and administrative staff	4	5
Nursing, care and domestic staff	79	70
	<u>83</u>	<u>75</u>

9. Interest payable and similar expenses

	2024 £	2023 £
Finance leases and hire purchase contracts	212	467
	<u>212</u>	<u>467</u>

10. Taxation

	2024 £	2023 £
Deferred tax		
Origination and reversal of timing differences	(525,085)	231
	<u>(525,085)</u>	<u>231</u>
Total deferred tax		
	<u>(525,085)</u>	<u>231</u>
Tax on loss	<u>(525,085)</u>	<u>231</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023 - *higher than*) the standard rate of corporation tax in the UK of 25% (2023 - 19%). The differences are explained below:

	2024 £	2023 £
Loss on ordinary activities before tax	<u>(906,497)</u>	<u>(1,537,258)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 19%)	(226,624)	(292,079)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	15,903	5,097
Utilisation of tax losses	(531,127)	-
Adjustments to tax charge in respect of prior periods	(6,121)	4,055
Effect of change in corporation tax rate	-	(162)
Group relief	(230,364)	284,110
Deferred tax charge	453,248	(879)
Restricted interest	-	89
Total tax charge for the year	<u><u>(525,085)</u></u>	<u><u>231</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

11. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2023	242,925	513,563	52,398	808,886
Additions	12,067	15,821	2,277	30,165
At 31 March 2024	254,992	529,384	54,675	839,051
Depreciation				
At 1 April 2023	164,549	365,231	38,005	567,785
Charge for the year on owned assets	19,462	39,086	4,931	63,479
At 31 March 2024	184,011	404,317	42,936	631,264
Net book value				
At 31 March 2024	70,981	125,067	11,739	207,787
At 31 March 2023	78,376	148,332	14,393	241,101

12. Stocks

	2024 £	2023 £
Raw materials and consumables	8,612	7,215
	8,612	7,215

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

13. Debtors

	2024 £	2023 £
Trade debtors	356,536	248,790
Amounts owed by group undertakings	11,625,474	9,874,927
Prepayments and accrued income	153,985	163,396
Deferred taxation	554,645	29,560
	<u>12,690,640</u>	<u>10,316,673</u>

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

14. Cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	261,159	88,005
	<u>261,159</u>	<u>88,005</u>

15. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	65,178	85,286
Amounts owed to group undertakings	12,220,990	9,745,770
Corporation tax	53,368	53,368
Other taxation and social security	93,339	59,403
Other creditors	831,172	552,858
Accruals and deferred income	351,996	240,912
	<u>13,616,043</u>	<u>10,737,597</u>

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

AVERY HOMES CLIFTONVILLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

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

	2024 £	2023 £
Net obligations under finance leases	-	287
Accruals and deferred income	2,559,156	2,540,699
	<u>2,559,156</u>	<u>2,540,986</u>

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

17. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2024 £	2023 £
Within one year	-	287
	<u>-</u>	<u>287</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.

18. Deferred taxation

	2024 £	2023 £
At beginning of year	29,560	29,791
Charged to profit or loss	525,085	(231)
At end of year	<u>554,645</u>	<u>29,560</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

18. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2024 £	2023 £
Accelerated capital allowances	21,679	29,560
Tax losses carried forward	531,127	-
Provision	1,839	-
	<u>554,645</u>	<u>29,560</u>

19. Share capital

	2024 £	2023 £
Allotted, called up and fully paid		
1 (2023 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

20. Reserves

Profit and loss account

The profit and loss account represents cumulative net gains and losses less distributions made.

21. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £35,482 (2023 - £26,386). Contributions totalling £7,352 (2023 - £2,787) were payable to the fund at the balance sheet date are included in creditors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

22. Commitments under operating leases

At 31 March 2024 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024	2023
	£	£
Not later than 1 year	1,770,452	<i>1,718,886</i>
Later than 1 year and not later than 5 years	7,629,119	<i>7,406,911</i>
Later than 5 years	9,341,555	<i>11,334,214</i>
	<u>18,741,126</u>	<i><u>20,460,011</u></i>

23. Other financial commitments

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

24. Related party transactions

The company has taken the exemption available in FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertakings of the group.

25. Controlling party

At the year end, the company was a subsidiary undertaking of Willowbrook Healthcare Debtco Limited, a company incorporated in England and Wales.

The largest group in which the results of the Company were consolidated were the group accounts of Veilchenblau Estates Limited, the Company's ultimate UK parent company. The smallest group in which the results of the Company were consolidated were the group accounts of Avery Healthcare Holdings Limited, a company registered in England and Wales. The consolidated financial statements of both companies can be obtained from Companies House.

The ultimate parent company is Siena Enterprises Group Ltd, a company registered in the British Virgin Islands.

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