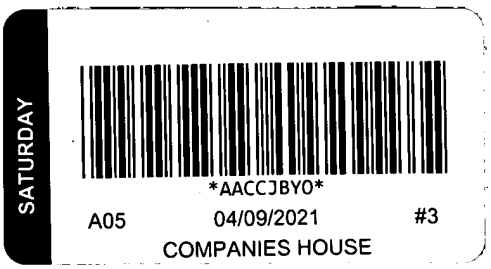
Registered number: 11001212

Audley Nightingale Place Management Limited

Annual report and financial statements

For the year ended 31 December 2020



Company Information

Directors	M N Sanderson	
	P D Morgan	
	K A Shaw	(resigned 30 April 2021)
	J M Austen	(resigned 30 June 2021)
	G L Burton	(appointed 2 November 2020)
Registered number	11001212	
Registered office	65 High Street Egham Surrey TW20 9EY	
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH	

Audley Nightingale Place Management Limited

Contents

	Pages
Directors' Report	1 - 2
Independent Auditors' Report	3 - 6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes In Equity	9
Notes to the Financial Statements	10 - 17

Directors' Report For the year ended 31 December 2020

The directors present their report and the audited financial statements of Audley Nightingale Place Management Limited (the "Company") for the year ended 31 December 2020.

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report and the financial statements for the company in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

Principal activities

The Company's principal activity during the financial year was that of the management of a retirement village.

Results

The loss for the year, after taxation, amounted to £546,070 (result for 2019 – £NIL).

Directors

The directors who served during the year and up to the approval of the financial Statements were:

M N Sanderson
P D Morgan
K A Shaw (resigned 30 April 2021)
J M Austen (resigned 30 June 2021)
G L Burton (appointed 2 November 2020)

Directors' Report For the year ended 31 December 2020

Going concern

The Directors' consideration of the factors affecting the Company's going concern assessment are detailed in note 2.3 of the Financial Statements. Given the uncertainty impacting the Group and the impact on the Company, the Directors have concluded that this indicates there is a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern in the disclosure of the basis of preparation to the financial statements.

No adjustments have been made to the financial statements that would result if the Group were unable to continue as a going concern.

Small companies note

In preparing this report, the directors had taken advantage of the small companies exemptions provided by section 414B and 415-A of the Companies Act 2006.

Future developments

The directors do not anticipate and changes to the present level of activity or to the nature of the Company's business in the near future.

Disclosure of information to auditors

In the case of each director in office at the date the Directors' report is approved:

- So far as the directors 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.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

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



G L Burton
Director
Date: 26 AUGUST 2021

Independent auditors' report to the members of Audley Nightingale Place Management Limited

Report on the audit of the financial statements

Opinion

In our opinion, Audley Nightingale Place Management Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2020; the Statement of Comprehensive Income, and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2.3 to the financial statements concerning the Company's ability to continue as a going concern.

The Directors of the Company's intermediate parent Audley Group Limited have concluded that there is a material uncertainty which may cast significant doubt on the ability of the Audley Group Limited Group (the 'Group') to continue as a going concern.

In forming their conclusions in respect of the going concern of the Company the Directors have relied on confirmation from Audley Group Limited that it intends to support the Company for a period of at least 12 months from the date of approval of the financial statements. The material uncertainties that exist in respect of the Audley Group Limited group's going concern indicate that, in the event that the Company was required to call on the support of the intermediate parent company, such support may not be available. In forming their assessment of going concern of the Company the Directors have therefore had regard to the uncertainties that exist in respect of the Group.

The Group has a £95m debt facility including amortising and revolving credit tranches that is secured on the net assets of Audley Court Limited and its subsidiaries. Audley Court Limited is a subsidiary of Audley Group Limited. The Group is also a joint guarantor to debt facilities held by its joint venture, RELF Audley Retirement Living LLP and Audley Nightingale Lane Limited, in which the Group holds a 4% equity interest which is secured on the property assets of those entities. These borrowings contain covenants that require specific financial ratios to be maintained. The Directors have performed a detailed review of the current and projected financial position of the Group which involved preparing two forecast scenarios: a Base case and a Severe but plausible 'downside' case. Under the 'downside' case:

- The Group's available cash is fully utilised by August 2022 and failure to achieve sufficient mitigating actions or secure additional funding for the Group would mean that the Group will be unable to repay its liabilities as they fall due from this date;
- The Group would breach the loan-to-value covenant on one specific tranche of the facility. The failure to obtain a waiver would mean there is a risk that the lender could demand repayment of the loan and consequently the Group would be unable to meet its liabilities as they fall due;
- The forecast valuation decline on the land at the Cobham site acts to reduce the headroom under loan-to-value covenant (attached to the land tranche element of the overall loan) and results in a breach of the covenant. The failure to obtain a waiver would mean there is a risk that the lender could demand repayment of the loan and consequently the Group would be unable to meet its liabilities as they fall due; and
- The forecast valuation decline on the unsold stock held by Audley Nightingale Lane Limited reduces the headroom under loan-to-value covenant and would result in a breach of covenant. In addition, under the Severe but plausible downside case, Audley Nightingale Lane Limited and Audley Group Developments 1 Limited do not meet the minimum number of exchanged property sales defined in the loan agreement and this would result in a breach of covenant. Failure to obtain a waiver would mean there is a risk that the lender could demand repayment of the loan and consequently the Group would be unable to meet its liabilities as they fall due.

Given the uncertainty impacting the Group described above and the impact on the Company, the Directors have concluded that this indicates there is a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern in the disclosure of the basis of preparation to the financial statements.

The financial statements do not include the adjustments that would result if the Company were unable to continue as a 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.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to non-compliance with tax legislation, health and safety regulations and data protection laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journals, specifically to increase revenue, and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Identifying and testing unusual journal entries posted with unusual account combinations and journal entries where the descriptions are indicative of transactions with related parties, where any such journal entries were identified;
- Challenging assumptions and judgements made by the Directors in their significant accounting estimates;
- Testing the tax provisions of the Company;
- Reviewing relevant meeting minutes, including Board minutes and management's summary of known and potential legal claims; and
- Enquiries with the Board and with management, about compliance with laws and regulations, including consideration of any known or suspected fraud or instances of non-compliance with laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Ian Benham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 August 2021

Statement of Comprehensive Income For the year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	4	**413,929**	-
Cost of sales		**(959,999)**	-
Operating loss	5	**(546,070)**	-
Loss before tax		**(546,070)**	-
Tax on loss	8	-	-
Loss for the financial year		**(546,070)**	-
Other comprehensive income for the year		-	-
Total comprehensive expense for the year		**(546,070)**	-

The notes on pages 10 to 17 form part of these financial statements.

Audley Nightingale Place Management Limited

Registered number: **11001212**

Statement of Financial Position As at 31 December 2020

	Note		2020		2019
			£		£
Fixed assets					
Tangible assets	9		17,142		-
			17,142		
Current assets					
Stocks	10	6,807		-	
Debtors: amounts falling due after more than one year	11	254,955		-	
Debtors: amounts falling due within one year	11	164,950		1	
Cash at bank and in hand	12	8,082		-	
		434,794		1	
Creditors: amounts falling due within one year	13	(998,005)		-	
Net current (liabilities)/assets			(563,211)		1
Total assets less current liabilities			(546,069)		1
Net (liabilities)/assets			(546,069)		1
Capital and reserves					
Called up share capital	14		1		1
Profit and loss account			(546,070)		-
Total Equity			(546,069)		1

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 AUGUST 2021

G L Burton
Director

The notes on pages 10 to 17 form part of these financial statements.

Statement of Changes in Equity For the year ended 31 December 2020

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	1	-	1
Comprehensive income for the year			
Result for the financial year	-	-	-
Total comprehensive income for the year	-	-	-
At 31 December 2019	1	-	1
Comprehensive expense for the year			
Loss for the year	-	(546,070)	(546,070)
Total comprehensive expense for the year	-	(546,070)	(546,070)
At 31 December 2020	1	(546,070)	(546,069)

The notes on pages 10 to 17 form part of these financial statements.

1. General information

The Company's principal activity during the financial year was that of the management of a retirement village. The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is 65 High Street, Egham, Surrey, TW20 9EY.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

2.2 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions subject to certain conditions, which have been compiled with, including notification of, and no objections to, the use of exemptions by the company's shareholders.
The company has taken advantage of the following exemptions:

(i) The company has taken advantage of the exemption, under FRS 102 section 7, from preparing a statement of cash flows, on the basis that it is a small company;

(ii) From the financial disclosure, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the financial statement disclosures;

(iii) From disclosing the Company key management compensation, as required by FRS 102 paragraph 33.7.

2.3 Going concern

Introduction

The Directors of the Company's intermediate parent Audley Group Limited have concluded that there is a material uncertainty which may cast significant doubt on the ability of the Audley Group Limited Group (the 'Group') to continue as a going concern in the basis of preparation to the financial statements.

In forming their conclusions in respect of the going concern of the Company the Directors have relied on confirmation from Audley Group Limited that it intends to support the company for a period of at least 12 months from the date of approval of the financial statements. The material uncertainties that exist in respect of the Audley Group Limited Group's going concern indicate that, in the event that the Company was required to call on the support of the intermediate parent company, such support may not be available.

To ascertain whether it was appropriate to prepare the financial statements on a going concern basis, the Directors of the Group have performed a robust assessment of the principal risks facing the Group, including those risks that would threaten the Group's business model, future performance and liquidity. The principal risks facing the Group and how the Group addresses such risks are described in the Principal Risk Review section of the Strategic Report on pages 25 to 28 of the Audley Group Limited's financial statements.

As the Directors have to make the going concern assessment over at least a 12 month period from the date of signing the financial statements, the scenario modelling has been undertaken over the period to 31 December 2022.

The assessment involved the preparation of two forecast scenarios: a 'Base case' and a Severe but plausible 'downside' case. In response to unprecedented levels of uncertainty in the market, caused by the coronavirus pandemic, the Severe but plausible downside case considers a more significant impact on the core drivers of performance than previously might have been assumed. The Group's experience of the trading environment since the first lockdown in March 2020 has been less severe than the 'downside' scenario assumes.

2. Accounting policies (continued)

2.3 Going concern (continued)

Financing overview

As explained in note 23 of the Group financial statements, the Group has a £95m debt facility including amortising and revolving credit tranches that is secured on the net assets of Audley Court Limited and its subsidiaries. Audley Court Limited is a subsidiary of Audley Group Limited. The Group is also a joint guarantor to debt facilities held by its joint venture, RELF Audley Retirement Living LLP, and by Audley Nightingale Lane Limited, in which the Group holds a 4% equity interest which is secured on the property assets of those entities. These borrowings contain covenants that require specific financial ratios to be maintained and tested on a quarterly basis. At the date of approval of these financial statements the Group had complied with all applicable borrowing covenants. The Group had cash and cash equivalents of £14.8m at 31 December 2020 (2019: £20.6m).

At 31 December 2020, the Group's joint venture, RELF Audley Retirement Living LLP and Audley Nightingale Lane Limited, in which the Group has an investment, had £238.3m of secured facilities, of which the Group's proportionate share was £43.8m. These relate to loans secured against the property assets of these entities being the villages under development, completed villages and unsold stock at the joint venture sites at Stanbridge Earls, Sunningdale, Cobham, Scarcroft and Clapham. In addition, subsequent to the year end, the Group's new joint venture with Blackrock secured a £40.5m (Group's share £10.1m) facility for the financing of the development at Mayfield Watford. The Mayfield Watford site is owned by Audley Group Developments 1 Limited which also holds the debt facility. The Group is a joint guarantor to these facilities in proportion to its shareholding in the respective entities that own the assets. The facilities contain a number of financial covenants that are generally tested quarterly in March, June, September and December. At the date of approval of these financial statements31 December 2020 and throughout the year, the RELF Audley Retirement Living LLP joint venture and Audley Nightingale Lane Limited complied with all applicable borrowing covenants.

Scenario assumptions and outcomes

The Base case was based on the 2021 Board approved budget with sales volumes and prices updated for the actual performance of the Group in the first half of 2021. The forecast assumes equity funding injected into the joint venture in line with the contractual terms of the shareholder agreement and the underlying debt arrangements. Over the going concern period to 31 December 2022 the Severe but plausible downside case included the following key considerations: owned unit sales are 28% fewer (33% over the 12 month period to 31 August 2022) than what is assumed in the Base case scenario and a 15% fall in the fair value of inventory and consequently in the selling prices from currently achieved levels. The Severe but plausible downside case does not include the impact of the mitigating actions identified by management as outlined below.

Under the Severe but plausible scenario the Group's available cash is fully utilised by August 2022 and requires cash mitigating actions to maintain liquidity thereafter.

Under the Severe but plausible downside case, the reduction in the valuation of the Audley Court Limited Group's unsold stock would reduce the headroom under the loan-to-value covenant on a specific tranche of the facility and would result in a breach of one of the covenants. In these circumstances, and in the absence of a waiver from the lenders or the Group delivering a cash cure, the lenders could demand repayment of these facilities. If the loans were not repaid, the lenders could enforce their security interests over the secured properties. The covenant was set based on the 2019 stock valuations at the time the facility was revised and the valuation obtained at 31 December 2020 would not cause a covenant breach as it was above the 2019 valuation. The Directors have a reasonable expectation that it is unlikely that the lenders would call for a valuation during the going concern period.

Under the Severe but plausible downside case, the forecast valuation decline on the land at the Cobham site reduces the headroom under loan-to-value covenant (attached to the land tranche element of the overall loan) and would result in a breach of covenant. In these circumstances the potential consequences would be the same as those summarised in the paragraph above for the main Group facility. The Directors have a reasonable expectation that it is unlikely that the lenders would call for a valuation during the going concern period.

Under the Severe but plausible downside case, the forecast valuation decline on the unsold stock held by Audley Nightingale Lane Limited reduces the headroom under loan-to-value covenant and would result in a breach of covenant. In addition, under the Severe but plausible downside case, Audley Nightingale Lane Limited and Audley Group Developments 1 Limited do not meet the minimum number of exchanged property sales defined in the loan agreement and this would result in a breach of covenant In these circumstances the potential consequences would be the same as those summarised in the paragraph above for the main Group facility. The Directors have a reasonable expectation that it is unlikely that the lenders would call for a valuation during the going concern period.

Mitigating actions

There are two principal mitigating actions available to the Group. A reduction of discretionary costs or a deferral of costs such as capital expenditure which would improve the liquidity position. In respect of the covenant compliance, the Group continues to have supportive lenders as was demonstrated in August 2021 with an agreed reduction to the proportion of mandatory debt repayments and release of the restricted cash under the Group's banking facility. The Directors have confidence that should they be required, covenant waivers could be obtained.

2. Accounting policies (continued)

2.3 Going concern (continued)

Conclusion

Based on the scenarios modelled by the Group and given the availability of the mitigating actions to provide sufficient liquidity over the going concern period, the Directors of the Group have considered that it is reasonable to conclude that the Group will continue in operational existence and meet its liabilities as they fall due for at least the next 12 months. As such, the Directors of the Company have considered it reasonable to conclude that Company will be able to rely on the support of the Group and fulfil their obligations under the borrowing facilities and have considered that it is reasonable to conclude that the Company will continue in operational existence and meet its liabilities as they fall due for at least the next 12 months. Therefore, the financial statements have been prepared on a going concern basis.

However, as explained at the beginning of this assessment, the Group is facing levels of uncertainty, principally caused by the Covid-19 pandemic, and the Group's financial modelling is sensitive to material changes in UK house prices and volumes of transactions.

Under the Severe but plausible downside case the Group would require additional funding and there would be a breach of the Group's loan covenants, including those held within joint ventures and investments The Directors have concluded that attention should be drawn to the following factors, that under the Severe but plausible downside case give rise to a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern:

- The Group's available cash is fully utilised by August 2022 and failure to achieve sufficient mitigating actions or secure additional funding for the Group would mean that the Group will be unable to repay its liabilities as they fall due from this date;
- The Group would breach the loan-to-value covenant on one specific tranche of the facility. The Directors consider that in the event of a breach there is a reasonable expectation that the lenders would provide a waiver. However, the failure to obtain a waiver would mean there is a risk that the lender could demand repayment of the loan and consequently the Group would be unable to meet its liabilities as they fall due;
- The forecast valuation decline on the land at the Cobham site acts to reduce the headroom under loan-to-value covenant (attached to the land tranche element of the overall loan) and results in a breach of the covenant. The Directors consider that in the event of a breach there is a reasonable expectation that the lenders would provide a waiver. However, the failure to obtain a waiver would mean there is a risk that the lender could demand repayment of the loan and consequently the Group would be unable to meet its liabilities as they fall due; and
- The forecast valuation decline on the unsold stock held by Audley Nightingale Lane Limited reduces the headroom under loan-to-value covenant and would result in a breach of covenant. In addition, under the Severe but plausible downside case, Audley Nightingale Lane Limited and Audley Group Developments 1 Limited do not meet the minimum number of exchanged property sales defined in the loan agreement and this would result in a breach of covenant. The Directors consider that in the event of a breach there is a reasonable expectation that the lenders would provide a waiver. However, the failure to obtain a waiver would mean there is a risk that the lender could demand repayment of the loan and consequently the Group would be unable to meet its liabilities as they fall due.

These factors may impact on the ability of the Group to support the Company, and therefore indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

No adjustments have been made to the financial statements that would result if the Company were unable to continue as a going concern.

2.4 Revenue recognition

Revenue for each stream recognised as follows:

The Company recognises revenue from the following major sources.

- Estate management fees - comprising management fees, deferred management fees and ground rent
- Restaurant including food and beverage income

The Company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the company's revenue streams have been met, as described below.

2. Accounting policies (continued)

2.4 Revenue recognition (continued)

Deferred management fees and associated accrued income

Under the terms of the lease agreements owners of the Company's properties pay a deferred management fee for the long-term upkeep of the village centre and other common facilities. The deferred management fee is calculated as a percentage of the selling price of the property. The fee accrues annually for a set period, based on the terms of individual contracts and is held as accrued income on the Statement of Financial Position. Given the uncertainty over the future selling price the amount recognised is based on the past two year average realised selling price at each village on a per square foot basis and is reassessed at each year end.

The cash settlement of the accrued income is realised on sale of the property and is secured by a charge against that property.

The timing of when deferred management fees are expected to be realised in cash is estimated based on actuarial data and split between current and non current assets on this basis. This is currently estimated to be every 10 years.

Management fees

Owners of the Company's properties pay a management fee that is set at the start of each year. The management fee is invoiced monthly in advance and recognised on a straight-line basis over the period to which it relates.

Restaurant including food and beverage

Revenue from the sale of food and beverages is recognised at the point of sale.

2.5 Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

2.6 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 bring in the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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:

Fixtures and fittings	-	20% straight line
Office equipment	-	33% straight line

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

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

2.7 Stocks

Stocks, comprising consumables for sale in the restaurant, are stated at the lower of cost and net realisable value.

2.8 Cash and cash equivalents

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

2.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2. Accounting policies (continued)

2.10 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in equity. In this case tax is also recognised in equity. Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in period different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

2.11 Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including other receivables and cash and bank balances, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction where it is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 assets' original effective interest rate.

The impairment loss is recognised in the statement of comprehensive income. 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 the statement of comprehensive income.

Financial assets are derecognised when (i) the contractual rights to the cash flow from the asset expire or are settled, or (ii) substantially all the risk and rewards of the ownership of the asset are transferred to another party, or (iii) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

2. Accounting policies (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group undertakings, 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 receipts discounted at a market rate of interest. 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. Trade creditors are classified as current liabilities if payment is due with 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.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

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

Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Accrued income - deferred management fees

The terms under which the Company recognises deferred management fees is set out above. The deferred management fee due to the Company is set out in the terms of the lease agreements. The amount due is a fixed percentage of the selling price of the property for each year of occupation up to a maximum number of years, typically 15 or 30 years. The cash settlement of the accrued income is realised on sale of the property and is secured by a charge against that property. The future selling price and period of occupation represent significant estimates.

Given the uncertainty over the future selling price the amount recognised is based on the past two year average realised selling price at each village on a per square foot basis and is reassessed at each year end.

The timing of when deferred management fees are expected to be realised in cash is estimated based on actuarial data. This is currently estimated to be every 10 years. Accrued income is split between current and non-current assets on this basis.

4. Turnover

	2020	2019
	£	£
Estate Management Fees	335,352	-
Food and Beverage	69,446	-
Other	9,131	-
	413,929	-

Turnover is attributable to the company's main activity which is carried out in the United Kingdom.

Estate Management fees are recorded over time. Food and beverage and other income is recognised at the point of sale.

5. Operating loss

The operating loss is stated after charging:

	2020	2019
	£	£
Depreciation of tangible fixed assets - owned by the company	1,474	-

Audit fees were borne by a fellow group subsidiary company, Audley Court Limited, in both years and not recharged to subsidiaries.

6. Employees

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

	2020	2019
	Number	Number
Estate Management	19	-
	19	-

All employees were employed by Audley Court Limited, a fellow group subsidiary company. The above information reflects the number of employees whose services were attributable to Audley Nightingale Place Management Limited. The cost relating to the services provided were recharged to the Company.

7. Directors' remuneration

There was no remuneration paid to the directors by the Company during the year (2019 - £nil). There were no retirement benefits accruing to the directors (2019 - £nil).

Directors' remuneration was paid by a fellow group subsidiary company, Audley Court Limited, in both years and not recharged to subsidiaries.

Notes to the Financial Statements For the year ended 31 December 2020

8. Tax on loss

	2020	2019
Corporation tax		
Current tax on losses for the year	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Taxation on loss	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020	2019
	£	£
Loss before tax	(546,070)	-
Loss before tax multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(103,753)	-
Effects of:		
Group relief surrendered and not paid	103,473	-
Expenses not deductible	280	-
Total tax charge for the year	-	-

9. Tangible assets

	Fixtures and fittings	Office equipment	Total
	£	£	£
Cost or valuation			
At 1 January 2020	-	-	-
Additions	11,775	6,841	18,616
As at 31 December 2020	11,775	6,841	18,616
Accumulated depreciation			
At 1 January 2020	-	-	-
Charge for the year on owned assets	714	760	1,474
As at 31 December 2020	714	760	1,474
Net Book Value			
At 31 December 2020	11,061	6,081	17,142
At 31 December 2019	-	-	-

10. Stocks

	2020	2019
	£	£
Goods for resale	6,807	-
	6,807	-

There were no significant differences between the replacement costs of stocks and its carrying amount.

Notes to the Financial Statements For the year ended 31 December 2020

11. Debtors: amounts falling due after more than one year

	2020	2019
	£	£
Accrued income:		
More than five years	254,955	-
	254,955	-

Accrued income of £254,955 (2019 - £NIL) relates to deferred management charge.

	2020	2019
	£	£
Amounts falling due within one year		
Amounts owed by group undertakings	142,338	1
Other debtors	2,567	-
Prepayments and accrued income	20,045	-
	164,950	1

Trade debtors are stated net of £3,837 (2019 - £NIL) bad debt provisions.

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

12. Cash at bank and in hand

	2020	2019
	£	£
Cash at bank and in hand	8,082	-
	8,082	-

13. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	1,256	-
Amounts owed to group undertakings	699,831	-
Other creditors	7,190	-
Accruals and deferred income	289,728	-
	998,005	-

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

14. Called up share capital

	2020	2019
	£	£
Allotted, Called up and fully paid		
1 (2019 - 1) Ordinary share of £1.00	1	1

15. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A of FRS 102 not to disclose the transactions with fellow wholly owned subsidiaries of Audley Group Limited.

16. Immediate and ultimate parent undertaking and ultimate controlling party

The company's immediate parent undertaking is Audley Group Limited, which is registered in England and Wales.

Audley Group Limited is the undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2020. MAREF Topco Limited, is the undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2020. The consolidated financial statements of these groups are available from Companies House.

The company's ultimate controlling parties are Moorfield Audley Real Estate Fund "A" Limited Partnership and Moorfield Audley Real Estate Fund "B" Limited Partnership, both registered in England and Wales.