

HERITAGE MANOR LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

HERITAGE MANOR LIMITED

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HERITAGE MANOR LIMITED

Company Information

Directors	H J Carver E S Dugdale I B S Kathuria S J Patient
Company secretary	S J Patient
Registered office	Coach House The Lawns Kempsey Worcester Worcestershire WR5 3NF
Bankers	Lloyds Bank plc 12 High Street Banbury Oxfordshire OX16 5EF
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

HERITAGE MANOR LIMITED

Strategic Report for the Year Ended 30 June 2023

The directors present their strategic report for the year ended 30 June 2023.

Principal activity

The principal activity of the group is the operation of nursing homes.

Fair review of the business

The results for the year which are set out in the profit and loss account show turnover of £11,570,630 (2022 - £10,870,104) and an operating profit of £1,428,529 (2022 - £1,369,917). At 30 June 2023 the group had net assets of £8,251,205 (2022 - £7,459,025). The directors consider the performance for the year and the financial position at the year end to be satisfactory. The directors have declared a dividend of £100,000 (2022: £100,000).

Key performance indicators

- Employee costs, defined as the gross cost of all nursing home staff including agency costs, as a percentage of nursing home income but excluding government grant income.
- Occupancy rates are measured as the average percentage of occupied beds over the year.

The group's key financial and other performance indicators during the year were as follows:

Financial KPIs	Unit	2023	2022
Employee costs as a percentage of sales	%	66	67
Occupancy rates	%	88	89

- Employee costs, defined as the gross cost of all nursing home staff including agency costs, as a percentage of nursing home income but excluding government grant income.
- Occupancy rates are measured as the average percentage of occupied beds over the year.

Principal risks and uncertainties

Along with privately funded residents, the group's main customers are local authorities and any changes in government purchasing policy away from the independent sector would constitute a risk. Local authorities are under pressure to cut spending, which represents a risk to the business in terms of fees for new residents and securing inflationary increases on fees for existing users of the services. As far as we can determine, recent government white papers and announced changes to funding for adult social care will not have any beneficial impact on the finances of nursing home providers.

Wherever possible the group mitigates this risk through negotiating contracts for its services and it is committed to working with its customers to find solutions that provide demonstrable value for money. In an increasingly competitive market, the strategy is to continue to focus on providing high quality services at fee levels which are competitive and represent good value.

The group operates in a highly regulated environment. The quality of care provided by the group and its compliance with regulation are monitored in a structured manner and subject to continuous review by the directors.

Brexit

The implications of Brexit have shown a considerable reduction of the number of EU nurses coming to the UK, at a time of a well-publicised shortage of qualified nurses.

This overall shortage of nurses puts pressure on agency costs, and in extreme cases may prevent the ability of operators to properly and safely staff their homes. We have been able to attain sponsorship status with the UK Home Office and are now recruiting nurses from outside the EU, although there will be a delay whilst such nurses gain their UK nursing PIN numbers.

HERITAGE MANOR LIMITED

Strategic Report for the Year Ended 30 June 2023

Financial instruments

The group's financial instruments comprise bank loans and cash. The main purpose of these financial instruments is to provide finance for the group's operations. The group has various other financial instruments such as trade debtors and trade creditors that arise directly from its operations. It is, and has been throughout the year under review, the group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the group's financial instruments are interest rate risk, credit risk and liquidity risk.

Price risk, credit risk, liquidity risk and cash flow risk

Cash flow interest risk

The group borrows in sterling at fixed rates of interest, under the terms of the facilities provided by Lloyds Bank plc. Interest bearing assets comprise cash and bank deposits and earn interest at floating rates. The directors monitor the overall level of borrowings and interest costs to limit any adverse effects on the financial performance of the group.

Liquidity risk and Going concern

The group's policy is to ensure availability of operating funds by maintaining an appropriate cash balance in current accounts and to establish an appropriate level of borrowing facilities to provide short-term flexibility.

The current economic conditions and social service and NHS commissioning intentions create uncertainty, particularly over the level of demand for the company's service. The directors have prepared cash flow forecasts and projections, taking account of reasonably possible changes in trading performance, demonstrating that the company should be able to, continue to operate within the level of its current facilities for a period of at least 12 months from the date of signing these financial statements.

Accordingly, the financial statements are prepared on a going concern basis

Credit risk

The group's principal financial assets are bank balances, cash and trade debtors, which represent the company's maximum exposure to credit risk in relation to financial assets. The directors monitor trade debtor balances on a regular basis to minimise the risk of unpaid balances.

Approved by the Board on 12 January 2024 and signed on its behalf by:

S J Patient
Director

HERITAGE MANOR LIMITED

Directors' Report for the Year Ended 30 June 2023

The directors present their report and the for the year ended 30 June 2023.

Directors of the company

The directors who held office during the year were as follows:

H J Carver

E S Dugdale

I B S Kathuria

S J Patient

Information included in the Strategic Report

The fair review of business, key performance indicators, principal risks and uncertainties and financial risk management have been included in the Strategic Report.

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that training, career development and promotion of disabled persons should, as far as possible, be identical with that of other persons.

Employee involvement

The company ensures that there is effective communication with members of its staff so that they are fully aware of key aspects of the company's business strategy and environment.

Directors' liabilities

The company has provided qualifying third party indemnity provisions in respect of the board of directors which were in force during the year and at the date of this report.

Future developments

The external environment is expected to remain competitive going forward, however the directors remain confident that the company will improve on its current level of performance in the future.

Disclosure of information to the auditor

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on 12 January 2024 and signed on its behalf by:

S J Patient
Director

HERITAGE MANOR LIMITED

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HERITAGE MANOR LIMITED

Independent Auditor's Report to the Members of Heritage Manor Limited

Opinion

We have audited the financial statements of Heritage Manor Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2023, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, 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 group's and the parent company's affairs as at 30 June 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

HERITAGE MANOR LIMITED

Independent Auditor's Report to the Members of Heritage Manor Limited

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 and the Directors' Report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Directors' Responsibilities set out on page 5, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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 considered the nature of the group's industry and its control environment and reviewed the groups's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the group operates in and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including the UK Companies Act and tax legislation, and, those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

HERITAGE MANOR LIMITED

Independent Auditor's Report to the Members of Heritage Manor Limited

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgments made in accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

Simon Worsley (Senior Statutory Auditor)

For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House

Bayshill Road

Cheltenham

GL50 3AT

12 January 2024

HERITAGE MANOR LIMITED

Consolidated Profit and Loss Account for the Year Ended 30 June 2023

	Note	2023 £	2022 £
Turnover	<u>3</u>	11,570,630	10,870,104
Cost of sales		<u>(8,660,061)</u>	<u>(8,482,365)</u>
Gross profit		2,910,569	2,387,739
Administrative expenses		(1,556,925)	(1,467,245)
Other operating income	<u>4</u>	<u>74,885</u>	<u>449,423</u>
Operating profit	<u>5</u>	1,428,529	1,369,917
Other interest receivable and similar income	<u>6</u>	1,780	67
Interest payable and similar charges	<u>7</u>	<u>(221,057)</u>	<u>(177,094)</u>
Profit before tax		1,209,252	1,192,890
Taxation	<u>11</u>	<u>(317,072)</u>	<u>(306,637)</u>
Profit for the financial year		<u>892,180</u>	<u>886,253</u>
Profit/(loss) attributable to:			
Owners of the company		<u>892,180</u>	<u>886,253</u>

The above results were derived from continuing operations.

The group has no other comprehensive income for the year.

HERITAGE MANOR LIMITED**(Registration number: 01305965)****Consolidated Balance Sheet as at 30 June 2023**

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	<u>12</u>	5,801	8,701
Tangible assets	<u>13</u>	12,353,095	11,762,266
Investments	<u>14</u>	250	250
		<u>12,359,146</u>	<u>11,771,217</u>
Current assets			
Stocks	<u>15</u>	14,740	14,740
Debtors	<u>16</u>	408,598	319,605
Cash at bank and in hand		<u>2,444,704</u>	<u>2,571,794</u>
		2,868,042	2,906,139
Creditors: Amounts falling due within one year	<u>17</u>	<u>(1,581,025)</u>	<u>(1,693,667)</u>
Net current assets		<u>1,287,017</u>	<u>1,212,472</u>
Total assets less current liabilities		13,646,163	12,983,689
Creditors: Amounts falling due after more than one year	<u>17</u>	(4,265,885)	(4,502,717)
Provisions for liabilities	<u>11</u>	<u>(1,129,073)</u>	<u>(1,021,947)</u>
Net assets		<u>8,251,205</u>	<u>7,459,025</u>
Capital and reserves			
Called up share capital	<u>20</u>	100	100
Revaluation reserve		3,570,202	3,680,728
Profit and loss account		<u>4,680,903</u>	<u>3,778,197</u>
Equity attributable to owners of the company		<u>8,251,205</u>	<u>7,459,025</u>
Total equity		<u>8,251,205</u>	<u>7,459,025</u>

Approved and authorised by the Board on 12 January 2024 and signed on its behalf by:

S J Patient
DirectorThe notes on pages 15 to 29 form an integral part of these financial statements.

HERITAGE MANOR LIMITED

(Registration number: 01305965)
 Balance Sheet as at 30 June 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	<u>12</u>	5,801	8,701
Tangible assets	<u>13</u>	12,241,433	11,650,604
Investments	<u>14</u>	940	940
		<u>12,248,174</u>	<u>11,660,245</u>
Current assets			
Stocks	<u>15</u>	14,739	14,740
Debtors	<u>16</u>	512,440	414,222
Cash at bank and in hand		<u>2,291,234</u>	<u>2,419,251</u>
		2,818,413	2,848,213
Creditors: Amounts falling due within one year	<u>17</u>	<u>(1,568,906)</u>	<u>(1,682,119)</u>
Net current assets		<u>1,249,507</u>	<u>1,166,094</u>
Total assets less current liabilities		13,497,681	12,826,339
Creditors: Amounts falling due after more than one year	<u>17</u>	<u>(4,265,885)</u>	<u>(4,502,717)</u>
Provisions for liabilities	<u>11</u>	<u>(1,129,073)</u>	<u>(1,022,402)</u>
Net assets		<u>8,102,723</u>	<u>7,301,220</u>
Capital and reserves			
Called up share capital	<u>20</u>	100	100
Revaluation reserve		3,570,202	3,680,728
Profit and loss account		<u>4,532,421</u>	<u>3,620,392</u>
Total equity		<u>8,102,723</u>	<u>7,301,220</u>

The company made a profit after tax for the financial year of £901,503 (2022 - £896,828).

Approved and authorised by the Board on 12 January 2024 and signed on its behalf by:

S J Patient
 Director

The notes on pages 15 to 29 form an integral part of these financial statements.

HERITAGE MANOR LIMITED

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2023 Equity attributable to the parent company

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 July 2022	100	3,680,728	3,778,197	7,459,025
Profit for the year	-	-	892,180	892,180
Dividends	-	-	(100,000)	(100,000)
Transfers	-	(110,526)	110,526	-
At 30 June 2023	100	3,570,202	4,680,903	8,251,205

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 July 2021	100	3,780,662	2,892,010	6,672,772
Profit for the year	-	-	886,253	886,253
Dividends	-	-	(100,000)	(100,000)
Transfers	-	(99,934)	99,934	-
At 30 June 2022	100	3,680,728	3,778,197	7,459,025

The notes on pages 15 to 29 form an integral part of these financial statements.

HERITAGE MANOR LIMITED

Statement of Changes in Equity for the Year Ended 30 June 2023

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 July 2022	100	3,680,728	3,620,392	7,301,220
Profit for the year	-	-	901,503	901,503
Dividends	-	-	(100,000)	(100,000)
Transfers	-	(110,526)	110,526	-
At 30 June 2023	100	3,570,202	4,532,421	8,102,723

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 July 2022	100	3,780,662	2,723,630	6,504,392
Profit for the year	-	-	896,828	896,828
Dividends	-	-	(100,000)	(100,000)
Transfers	-	(99,934)	99,934	-
At 30 June 2022	100	3,680,728	3,620,392	7,301,220

The notes on pages 15 to 29 form an integral part of these financial statements.

HERITAGE MANOR LIMITED

Consolidated Statement of Cash Flows for the Year Ended 30 June 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Profit for the year		892,180	886,253
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>5</u>	366,100	377,815
Finance income	<u>6</u>	(1,780)	(67)
Finance costs	<u>7</u>	221,057	177,094
Income tax expense	<u>11</u>	317,072	306,637
		<u>1,794,629</u>	<u>1,747,732</u>
Working capital adjustments			
Increase in trade debtors	<u>16</u>	(88,993)	(83,147)
(Decrease)/increase in trade creditors	<u>17</u>	(107,627)	42,452
Cash generated from operations		<u>1,598,009</u>	<u>1,707,037</u>
Income taxes paid	<u>11</u>	(220,000)	(351,170)
Net cash flow from operating activities		<u>1,378,009</u>	<u>1,355,867</u>
Cash flows from investing activities			
Interest received		1,780	67
Acquisitions of tangible assets		(954,029)	(889,727)
Net cash flows from investing activities		<u>(952,249)</u>	<u>(889,660)</u>
Cash flows from financing activities			
Interest paid		(221,057)	(177,094)
Repayment of bank borrowing		(231,793)	(241,673)
Dividends paid		(100,000)	(100,000)
Net cash flows from financing activities		<u>(552,850)</u>	<u>(518,767)</u>
Net decrease in cash and cash equivalents		(127,090)	(52,560)
Cash and cash equivalents at 1 July		<u>2,571,794</u>	<u>2,624,354</u>
Cash and cash equivalents at 30 June		<u>2,444,704</u>	<u>2,571,794</u>

The notes on pages 15 to 29 form an integral part of these financial statements.

HERITAGE MANOR LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Coach House
The Lawns
Kempsey
Worcester
Worcestershire
WR5 3NF

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 June 2023.

No Profit and Loss Account is presented for the company as permitted by section 408 of the Companies Act 2006. The company made a profit after tax for the financial year of £901,503 (2022 - profit of £896,828).

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

HERITAGE MANOR LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

Going concern

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

These financial statements do not contain any significant judgements or estimation uncertainty.

Key sources of estimation uncertainty

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company. The group recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Tax

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

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

HERITAGE MANOR LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold Property	2% straight line
Fixtures and fittings	25% straight line
Motor vehicles	25% straight line
Office equipment	25% straight line

Freehold land is not depreciated.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Straight line over 7 years

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Investments in associates are stated at the amount of the group's share of net assets. The profit and loss account includes the group's share of the associated companies' profits after taxation using the equity accounting basis. When the share of losses in an associate exceeds their investment, the deficit is only recognised on consolidation when there is a constructive obligation to meet the liabilities.

Associates in the company accounts are recognised at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

HERITAGE MANOR LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the debtors.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the group's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

HERITAGE MANOR LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3 Turnover

The analysis of the group's revenue for the year from continuing operations is as follows:

	2023 £	2022 £
Nursing home income	11,570,630	10,827,376
Other income	-	42,728
	<u>11,570,630</u>	<u>10,870,104</u>

HERITAGE MANOR LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

The total turnover of the company has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2023	2022
	£	£
Grant income	74,885	449,423

5 Operating profit

Arrived at after charging/(crediting)

	2023	2022
	£	£
Depreciation expense	363,200	374,915
Amortisation expense	2,900	2,900
Operating lease (income)/expense	(188,480)	74,158
Operating lease expense - plant and machinery	72,866	71,730

Under the management agreement classified as an operating lease, any profit or loss incurred on the operation of the property during the year are recharged to Abberton Manor Properties Limited. During the year, losses of £188,480 (2022 - a profit of £74,158) were incurred and are have been recognised as lease income under this agreement.

6 Other interest receivable and similar income

	2023	2022
	£	£
Interest income on bank deposits	1,780	67

7 Interest payable and similar expenses

	2023	2022
	£	£
Interest on bank borrowings	221,057	173,466
Interest expense on other finance liabilities	-	3,628
	221,057	177,094

8 Staff costs

Group and company

The aggregate payroll costs (including directors' remuneration) were as follows:

	2023	2022
	£	£
Wages and salaries	6,245,710	5,746,209
Social security costs	529,023	482,813
Pension costs, defined contribution scheme	103,911	93,973
	6,878,644	6,322,995

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

HERITAGE MANOR LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

	2023 No.	2022 No.
Nursing and administration staff	286	278
Office administration	13	12
	<u>299</u>	<u>290</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2023 £	2022 £
Directors' emoluments	309,080	306,555
Company contributions to defined contribution pension schemes	2,628	2,634
	<u>311,708</u>	<u>309,189</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2023 No.	2022 No.
Retirement benefits accruing to directors	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2023 £	2022 £
Remuneration	259,076	256,555
Company contributions to money purchase pension schemes	<u>1,320</u>	<u>1,321</u>

The directors are considered key management personnel of the group.

10 Auditors' remuneration

	2023 £	2022 £
Audit of these financial statements	14,050	13,000
Audit of the financial statements of subsidiaries of the company pursuant to legislation	<u>6,450</u>	<u>6,000</u>
	<u>20,500</u>	<u>19,000</u>

Other fees to auditors

Taxation compliance services	3,250	3,000
All other non-audit services	<u>9,300</u>	<u>9,000</u>
	<u>12,550</u>	<u>12,000</u>

HERITAGE MANOR LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

11 Taxation

Tax charged/(credited) in the consolidated profit and loss account

	2023 £	2022 £
Current taxation		
UK corporation tax	214,908	196,569
UK corporation tax adjustment to prior periods	(4,507)	288
	<u>210,401</u>	<u>196,857</u>
Deferred taxation		
Arising from origination and reversal of timing differences	<u>106,671</u>	<u>109,780</u>
Tax expense in the income statement	<u>317,072</u>	<u>306,637</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 20.5% (2022 - 19%).

The differences are reconciled below:

	2023 £	2022 £
Profit before tax	<u>1,209,252</u>	<u>1,192,890</u>
Corporation tax at standard rate	247,897	226,649
Deferred tax expense relating to changes in tax rates or laws	18,171	35,422
Decrease from tax losses for which no deferred tax asset was recognised	-	(10,887)
Increase in UK and foreign current tax from adjustment for prior periods	1,986	-
Tax increase from effect of capital allowances and depreciation	<u>49,018</u>	<u>55,453</u>
Total tax charge	<u>317,072</u>	<u>306,637</u>

Deferred tax

Group

Deferred tax assets and liabilities

	Liability £
2023	
Fixed asset timing differences	382,074
Employer pension liabilities	749,429
Deferred gain	<u>(2,430)</u>
	<u>1,129,073</u>
2022	
Fixed asset timing differences	275,470
Employer pension liabilities	(2,952)
Deferred gain	<u>749,429</u>
	<u>1,021,947</u>

HERITAGE MANOR LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

12 Intangible assets

Group and company

	Goodwill £
Cost	
At 1 July 2022 and 30 June 2023	548,405
Amortisation	
At 1 July 2022	539,704
Amortisation charge	2,900
At 30 June 2023	542,604
Carrying amount	
At 30 June 2023	5,801
At 30 June 2022	8,701

13 Tangible assets

Group

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation					
At 1 July 2022	13,546,139	1,279,291	-	19,601	14,845,031
Additions	15,991	191,533	14,310	732,195	954,029
Transfers	709,479	-	-	(709,479)	-
At 30 June 2023	14,271,609	1,470,824	14,310	42,317	15,799,060
Depreciation					
At 1 July 2022	2,041,530	1,041,235	-	-	3,082,765
Charge for the year	229,088	131,476	2,636	-	363,200
At 30 June 2023	2,270,618	1,172,711	2,636	-	3,445,965
Carrying amount					
At 30 June 2023	12,000,991	298,113	11,674	42,317	12,353,095
At 30 June 2022	11,442,946	238,056	-	81,264	11,762,266

Deemed cost on transition to FRS 102

Land and buildings treated are included at fair value which was treated as deemed cost on transition to FRS 102. If land and buildings had been included under the historical cost convention, their carrying values would be as follows:
Had this class of asset been measured on a historical cost basis, the carrying amount would have been £7,425,549 (2022 - £6,913,412).

Included within land and buildings is freehold land of £1,950,000 (2022 - £1,950,000), which is not depreciated.

HERITAGE MANOR LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

Company

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation					
At 1 July 2022	13,434,477	1,279,291	-	19,601	14,733,369
Additions	15,991	191,533	14,310	732,195	954,029
Transfers	709,479	-	-	(709,479)	-
At 30 June 2023	14,159,947	1,470,824	14,310	42,317	15,687,398
Depreciation					
At 1 July 2022	2,041,530	1,041,235	-	-	3,082,765
Charge for the year	229,088	131,476	2,636	-	363,200
At 30 June 2023	2,270,618	1,172,711	2,636	-	3,445,965
Carrying amount					
At 30 June 2023	11,889,329	298,113	11,674	42,317	12,241,433
At 30 June 2022	11,392,946	238,056	-	19,602	11,650,604

Included within land and buildings is freehold land of £1,900,000 (2022 - £1,900,000), which is not depreciated.

HERITAGE MANOR LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

14 Investments

Group

Details of undertakings

	2023	2022
	£	£
Trade investments	250	250

These consolidated financial statements incorporate the financial statements of the company and its wholly owned subsidiary undertakings, Frontsouth (Developments) Limited and Heritage Manor (The Lawns) Limited.

Despite holding 33% of the issued share capital of Abberton Manor Developments Limited, the directors do not consider that the company exerts significant influence over the operating and financial decisions of Abberton Manor Developments Limited, and as such it is included as a trade investment in the consolidated and company only financial statements.

Abberton Manor Developments Limited owns 100% of the issued share capital of Abberton Grange Management Limited (a service management company) and Abberton Manor Sales Limited (a property sales company).

Company

	2023	2022
	£	£
Investments in subsidiaries	200	200
Investments in associates	490	490
Trade investments	250	250
	940	940

Subsidiaries

£

Cost and carrying amount

At 1 July 2022 and 30 June 2023	200
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Associates

£

Cost and carrying amount

At 1 July 2022 and at 30 June 2023	490
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HERITAGE MANOR LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held		
			2023	2022	
Subsidiary undertakings					
Frontsouth (Developments) Limited	England and Wales	Ordinary	100%	100%	
Heritage Manor (The Lawns) Limited	England and Wales	Ordinary	100%	100%	
Associates					
Abberton Manor Developments Limited	Jersey	Equity	33%	33%	
Abberton Manor Properties Limited	Jersey	Equity	33%	33%	

The principal activity of Frontsouth (Developments) Limited is development of building projects. The principal activity of Heritage Manor (The Lawns) Limited is letting and operating of own or leased real estate. The principal activity of Abberton Manor Developments Limited is property development. The principal activity of Abberton Manor Properties Limited is investment in property.

The registered office of Frontsouth (Developments) Limited and Heritage Manor (The Lawns) Limited is The Coach House, The Lawns, Kempsey, Worcester, Worcestershire, WR5 3NF.

The registered office of Abberton Manor Developments Limited and Abberton Manor Properties Limited is Standard Bank House, 47-49 La Motte Street, St Helier, Jersey, JE2 4SZ.

15 Stocks

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Finished goods and goods for resale	14,740	14,740	14,740	14,740

HERITAGE MANOR LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

16 Debtors

	Note	Group		Company	
		2023 £	2022 £	2023 £	2022 £
Trade debtors		276,985	121,059	276,985	121,059
Amounts owed by related parties	<u>23</u>	-	-	104,332	94,652
Other debtors		34,142	104,399	33,652	104,364
Prepayments		97,471	94,147	97,471	94,147
		<u>408,598</u>	<u>319,605</u>	<u>512,440</u>	<u>414,222</u>
Total current trade and other debtors					

Group

Amounts owed by group undertakings due in less than one year are interest free, repayable on demand and unsecured.

Company

A provision of £6,180 (2022 - £2,500) has been charged in the company against amounts owed by group undertakings during the year. The provision against amounts due from group undertakings is £405,529 (2022 - £399,349) at the 30 June 2023.

17 Creditors

		Group		Company	
	Note	2023 £	2022 £	2023 £	2022 £
Due within one year					
Loans and borrowings	18	283,096	278,057	283,096	278,057
Trade creditors		424,718	343,948	424,718	343,948
Amounts due to related parties	23	67,077	138,058	67,077	138,058
Social security and other taxes		125,318	67,007	125,418	67,107
Other creditors		147,042	189,696	147,042	189,696
Accrued expenses		496,804	630,332	484,585	618,684
Corporation tax liability	11	36,970	46,569	36,970	46,569
		1,581,025	1,693,667	1,568,906	1,682,119
Due after one year					
Loans and borrowings	18	4,265,885	4,502,717	4,265,885	4,502,717

Amounts owed to related parties are interest free, repayable on demand and unsecured.

HERITAGE MANOR LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

18 Loans and borrowings

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Current loans and borrowings				
Bank borrowings	283,096	278,057	283,096	278,057

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Non-current loans and borrowings				
Bank borrowings	4,265,885	4,502,717	4,265,885	4,502,717

Bank loans

Bank loans consist of the following:

A business loan for an amount of £1,522,500 was entered into December 2018 which is to be paid over 19 years. Interest is payable at a base rate plus an interest margin of 2.90% per annum. The bank loan is secured via a first legal charge over the freehold land and buildings of the care homes owned by Heritage Manor Limited and an unlimited debenture from Heritage Manor Limited.

A mortgage loan for an amount of £3,231,732 was entered into May 2019 which is to be paid over 14 years. Interest is payable at a fixed rate for 14 years at a margin of 1.95% over the agreed cost of funds of 1.63%, giving an effective rate of 3.58%. The bank loan is secured via a first legal charge over the freehold land and buildings of the care homes owned by Heritage Manor Limited and an unlimited debenture from Heritage Manor Limited.

A business loan for an amount of £920,500 was entered into February 2016 which is to be paid over 20 years. Interest is payable at a base rate plus 2.9% per annum. The bank loan is secured via a first legal charge over the freehold land and buildings of the care homes owned by Heritage Manor Limited, an unlimited debenture from Heritage Manor Limited and all monies guarantee from Frontsouth (Developments) Limited for a principal amount plus interest and other costs.

19 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £103,911 (2022 - £93,973). Contributions totalling £29,549 (2022 - £26,028) were payable to the scheme at the 30 June 2022 and are included in creditors.

20 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary shares of £0.01 each	10,000	100.00	10,000	100.00

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

HERITAGE MANOR LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2023

21 Operating lease commitments

Group and company

Operating leases

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	44,828	43,780
Later than one year and not later than five years	76,360	76,806
Later than five years	1,355	3,564
	<u>122,543</u>	<u>124,150</u>

22 Analysis of net debt

	At 1 July 2022 £	Cash flow £	At 30 June 2023 £
Cash at bank and in hand	2,571,794	(127,090)	2,444,704
Bank loans	<u>(4,780,774)</u>	<u>231,793</u>	<u>(4,548,981)</u>
	<u>(2,398,093)</u>	<u>189,113</u>	<u>(2,208,980)</u>

23 Related party transactions

At the year end the company owed £42,077 to Abberton Manor Properties Limited (2022 - £130,558), a connected company in which Mr S J Patient and Mr I B S Kathuria are both directors. The company received £188,480 in operating lease income during the year (2022 - the company paid £74,158).

At the year end the company owed £25,000 to Carver (Wolverhampton) Limited (2022 - £25,000), a connected company in which Mr H J Carver is a director, and Carver (Wolverhampton) Limited is a shareholder of Heritage Manor Limited.

At the year end the company was owed £4,333 from Euronite Limited (2022 - £4,511), a connected company through common shareholders and Mr S J Patient is providing management and accounting services for the company. This amount has been included within other debtors.

During the year, the company paid Mrs E Patient, the wife of Mr S J Patient £71,371 (2022 - £68,290) for marketing and legal services.

The group has taken the advantage of the exemption under FRS 102 not to disclose transactions with other wholly owned group companies.

Key management personnel is considered to be the directors of Heritage Manor Limited, whose remuneration is disclosed in note 9.

24 Parent and ultimate parent undertaking

The directors have confirmed that due to the share ownership structure, there is no single ultimate controlling party for Heritage Manor Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.