

Elmbridge Village Limited

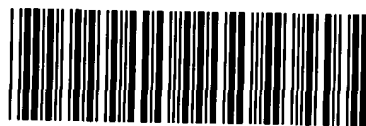
Report and Financial Statements

Year Ended

31 March 2022

Company Number 01483278

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Elmbridge Village Limited

Report and financial statements for the year ended 31 March 2022

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Directors

W Bax
S Moore
T Seddon

Secretary and registered office

A Langley, 3rd Floor, 123 Victoria Street, London, SW1E 6RA.

Company number

01483278

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Elmbridge Village Limited

Directors' report for the year ended 31 March 2022

Principal activities

The company owns the freehold interest in an estate of residential units at Elmbridge Village, Surrey which was developed by the company and is occupied by retired persons, under lease agreements. Certain services are provided to the residents and the company consents to the assignment of leases or repurchases the leases and grants new leases for the properties on the estate. The company expects to continue to own and benefit from its freehold interest.

Results and dividends

The statement of comprehensive income is set out on page 7 and shows the profit for the year.

Dividends of £Nil were proposed to the ordinary shareholders (2021 - £Nil).

Directors

The directors of the company during the year and up to the date of this report were:

W Bax

S Moore (appointed 28 April 2022)

Z Rocholl (resigned 28 April 2022)

T Seddon

H Trivedi (resigned 11 November 2022)

Event fees in retirement properties

In September 2009, the OFT (now the Competition and Markets Authority, or CMA) launched a formal investigation into transfer fees (Event Fees) in the retirement housing sector. For the purposes of this note an Event Fee shall be taken to encompass the assignment fee that is part of all Retirement Villages residential property leases. The directors of the Retirement Villages Group considered the outcome of the investigation in 2013 did not provide sufficient clarity in connection with this matter.

In 2014 the Law Commission was asked to consider this issue and in March 2017 published its final report which recommended an outline code of practice in relation to Event Fees in Retirement Properties. The Retirement Villages Group has been supportive of the Law Commission process and is fully compliant with all its final recommendations.

In March 2019 the government provided a full response saying it would implement Law Commission's recommendations, with the exception of two issues which they would explore in further detail. One issue related to a potential database for prospective buyers and the other on succession rights for spouses. While it is unclear how long this might take, neither issue materially changes the government's position relating to Event Fees.

The directors of Retirement Villages Group consider its treatment and reporting of assignment fees within resident property leases are consistent with both the Law Commission's final report and any anticipated legislation on this issue.

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. An associated company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of the Company and its directors.

Elmbridge Village Limited

Directors' report (continued) for the year ended 31 March 2022

Going concern

During the financial year, the company made a profit of £4,543,731 (2021: £866,074). As at 31 March 2022, the company had a net current asset balance of £1,725,618 (2021: £1,970,029) and a net asset balance of £20,427,729 (2021: £15,883,998). As the company's principal activity is in line with the group's operations, it holds significant intercompany receivable balances due from fellow group companies. The company is therefore reliant on Retirement Villages Group Limited to provide financial support to be able to continue trading and meet their debts as they fall due. Retirement Villages Group Limited has confirmed that it will provide continuous financial support to this company for a period of at least 12 months from the date the financial statements are approved.

It is therefore considered appropriate to refer to the Retirement Villages Group Limited group financial statements which set out the wider group implications of the pandemic and the group's assessment of its basis of preparing its financial statements as a going concern.

The directors have reviewed the ability of Retirement Villages Group limited to be able to provide this financial support including review of cash flow forecasts taking into account ongoing potential impacts of COVID-19 and cost of living increases. As a result of this the directors are satisfied the accounts can be prepared on a going concern basis.

Statement of disclosure to auditor


All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

Small companies exemption

In preparing this directors' report advantage has been taken of the small companies' exemption.

Approval

On behalf of the Board

DocuSigned by:

BD001CF48909428...
W Bax

Director

Date²² December 2022

Elmbridge Village Limited

Statement of director's responsibilities

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Elmbridge Village Limited

Independent auditor's report

Independent auditor's report to the members of Elmbridge Village Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its 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.

We have audited the financial statements of Elmbridge Village Limited ("the company") for the year ended 31 March 2022 which comprise Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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).

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the report and financial statements, 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Elmbridge Village Limited

Independent auditor's report (continued)

Other Companies Act 2006 reporting

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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:

Elmbridge Village Limited

Independent auditor's report (continued)

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (FRS 102, the Companies Act 2006) and tax related legislation (the Finance Act). We tested the company's compliance with these laws and regulations through our audit procedures over the financial statements and the related tax balances;
- Enquiries with management as to whether there were known or suspected instances of non-compliances with laws and regulations or fraud;
- Identifying and testing unusual journal entries; and
- Sample tested revenue transactions to ensure revenue recognised in accordance with UK GAAP and that there was no evidence of fraud or management override.

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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:



552C94ADCB1E458
Michael Philp (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, UK

Date: 23 December 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Elmbridge Village Limited

Statement of comprehensive income for the year ended 31 March 2022

| | Note | 2022 £ | 2021 £ |
|---|------|------------------|-------------|
| Turnover | 3 | 3,619,945 | 3,403,738 |
| Cost of sales | | (2,142,143) | (2,926,213) |
| Gross profit | | 1,477,802 | 477,525 |
| Administrative expenses | | (152,664) | (183,026) |
| Fair value movement on investment property | 7 | 5,173,206 | 602,760 |
| Operating profit and profit on ordinary activities before taxation | 4 | 6,498,344 | 897,259 |
| Taxation on profit | 6 | (1,954,613) | (31,185) |
| Profit for the year | | 4,543,731 | 866,074 |

All amounts relate to continuing activities.

The notes on pages 10 to 18 form part of these financial statements.


Elmbridge Village Limited

Balance sheet at 31 March 2022

| Company number 01483278 | Note | 2022 £ | 2022 £ | 2021 £ | 2021 £ |
|---|-------------|--------------------|--------------------|--------------------|--------------------|
| Fixed assets | | | | | |
| Tangible assets | 7 | | 23,042,890 | | 16,329,885 |
| Current assets | | | | | |
| Stocks | 8 | 2,228,409 | | 4,417,756 | |
| Debtors | 9 | 374,547 | | 273,642 | |
| Cash at bank and in hand | | 2,317,651 | | 333,718 | |
| | | 4,920,607 | | 5,025,116 | |
| Creditors: amounts falling due within one year | 10 | (3,194,989) | | (3,055,087) | |
| Net current assets | | | 1,725,618 | | 1,970,029 |
| Total assets less current liabilities | | | 24,768,508 | | 18,299,914 |
| Provisions for liabilities | 11 | | (4,340,779) | | (2,415,916) |
| Total net assets | | | 20,427,729 | | 15,883,998 |
| Capital and reserves | | | | | |
| Called up share capital | 12 | | 10,000 | | 10,000 |
| Revaluation reserve | | | 540,069 | | 540,069 |
| Investment property reserve | | | 13,430,810 | | 10,212,217 |
| Profit and loss account | | | 6,446,850 | | 5,121,712 |
| | | | 20,427,729 | | 15,883,998 |

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

The financial statements were approved by the board of directors and authorised for issue on 22 December 2022

DocuSigned by:

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W Bax

Director

The notes on pages 10 to 18 form part of these financial statements

Elmbridge Village Limited

Statement of changes in equity For the year ended 31 March 2022

| | Share capital £ | Revaluation reserve £ | Investment property reserve £ | Profit and loss account £ | Total equity £ |
|---|-----------------------|-----------------------------|--|------------------------------------|----------------------|
| 1 April 2021 | 10,000 | 540,069 | 10,212,217 | 5,121,712 | 15,883,998 |
| Comprehensive income for the year | | | | | |
| Transfer | - | - | 3,218,593 | (3,218,593) | - |
| Profit for the year | - | - | - | 4,543,731 | 4,543,731 |
| Total comprehensive income for the year | - | - | 3,218,593 | 1,325,138 | 4,543,731 |
| Total contributions by and distributions to owners | - | - | - | - | - |
| 31 March 2022 | 10,000 | 540,069 | 13,430,810 | 6,446,850 | 20,427,729 |

| | Share capital £ | Revaluation reserve £ | Investment property reserve £ | Profit and loss account £ | Total equity £ |
|---|-----------------------|-----------------------------|--|------------------------------------|----------------------|
| 1 April 2020 | 10,000 | 540,069 | 9,640,904 | 4,826,951 | 15,017,924 |
| Comprehensive income for the year | | | | | |
| Transfer | - | - | 571,313 | (571,313) | - |
| Profit for the year | - | - | - | 866,074 | 866,074 |
| Total comprehensive income for the year | - | - | 571,313 | 294,761 | 866,074 |
| Total contributions by and distributions to owners | - | - | - | - | - |
| 31 March 2021 | 10,000 | 540,069 | 10,212,217 | 5,121,712 | 15,883,998 |

The notes on pages 10 to 18 form part of these financial statements.

Elmbridge Village Limited

Notes forming part of the financial statements for the year ended 31 March 2022

1 Accounting policies

Elmbridge Village Limited is a private company, limited by shares, incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the Directors' report.

Basis of preparation

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the requirements of the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

FRS 102 reduced disclosure exemptions

In preparing the financial statements of the company, advantage has been taken of the following disclosure exemptions available in FRS 102 to subsidiary undertakings where the parent undertaking prepares publicly available consolidated accounts:

- No cash flow statement or net debt reconciliation has been presented for the company;
- Disclosures in respect of the company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole in the parent undertakings group accounts;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the company as their remuneration is included in the totals for the group as a whole; and
- Under FRS 102 the company is also not required to disclose details of transactions entered into with fellow group members.

The following principal accounting policies have been applied:

Going concern

During the financial year, the company made a profit of £4,543,731 (2021: £866,074). As at 31 March 2022, the company had a net current asset balance of £1,725,618 (2021: £1,970,029) and a net asset balance of £20,427,729 (2021: £15,883,998). As the company's principal activity is in line with the group's operations, it holds significant intercompany receivable balances due from fellow group companies. The company is therefore reliant on Retirement Villages Group Limited to provide financial support to be able to continue trading and meet their debts as they fall due. Retirement Villages Group Limited has confirmed that it will provide continuous financial support to this company for a period of at least 12 months from the date the financial statements are approved.

It is therefore considered appropriate to refer to the Retirement Villages Group Limited group financial statements which set out the wider group implications of the pandemic and the group's assessment of its basis of preparing its financial statements as a going concern.

The directors have reviewed the ability of Retirement Villages Group limited to be able to provide this financial support including review of cash flow forecasts taking into account ongoing potential impacts of COVID-19 and cost of living increases. As a result of this the directors are satisfied the accounts can be prepared on a going concern basis.

Elmbridge Village Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (continued)

1 Accounting policies (continued)

Revenue

Revenue represents amounts receivable for property sales, rental income from property, assignment fees from the resale of properties and other income. Property sales and assignment fees are recognised on legal completion. Rental income from operating leases is credited to the Statement of comprehensive income on a straight line basis over the term of the relevant lease. Other income is recognised when receipt is reasonably certain.

Investment properties

Investment property is carried at fair value determined annually by the directors with reference to the most recent external valuation and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

Tangible fixed assets

Tangible fixed assets, other than investment properties, are stated at historical cost or revalued cost at the date of transition to FRS 102 less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

| | |
|-----------------------|-------------|
| Fixtures and fittings | 3 - 4 years |
|-----------------------|-------------|

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, 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 within 'other operating income or losses' in the statement of comprehensive income.

Leased assets

The company sells properties under historic old leases, which obliges the company to repurchase a property at the price at which it was last sold or a proportion thereof, either on vacation of the property by the purchaser or on receiving three months' notice. When a property is repurchased by the company in accordance with its obligation under the lease, title to the property will revert to the company and the property will become available for resale in the company's normal course of business.

The granting of the lease is not recognised as a sale as most of the risks and rewards are borne by the company. The company has decided it will treat such properties as leased fixed assets and will create a provision for their repurchase. The properties will be held at a value equivalent to the provision for repurchase of the lease.

Elmbridge Village Limited

Notes forming part of the financial statements for the year ended 31 March 2022 *(continued)*

1 Accounting policies *(continued)*

Provisions

Provision is made in full for the requirement to repurchase properties leased under historic 'old leases' at their original sale price, at the point the obligation arises and is released on the repurchase of the property.

Provision is also made in respect of liabilities arising from requirements to refurbish properties where an obligation exists at the balance sheet date.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Costs include all direct expenditure, an appropriate proportion of attributable overheads and a portion of interest capitalised on borrowings drawn to finance development work.

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

Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.
- Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Financial assets

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Elmbridge Village Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (continued)

1 Accounting policies (continued)

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Investment properties are revalued to fair value annually, by the directors with reference to the latest external valuation performed in December 2021 by CBRE Limited, using a discounted cash flow method, taking into account the quality of different income streams and their attractiveness to a potential acquirer.

Key inputs into the valuations were:

- Assignment fee and ground rental income based upon the most recent sales values achieved.
- Discount rate of 9.0%.

The directors have considered whether there are any indicators of impairment of the carrying value of work in progress, and professional judgement has been applied in determining whether the carrying value of stock is in excess of the net realisable value. Factors taken into consideration in reaching such a decision include the development potential, planning prospects and prevailing market conditions.

Other key sources of estimation uncertainty

- *Tangible fixed assets (see note 7)*

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

3 Analysis of turnover

| | 2022 | 2021 |
|--------------------------------|------------------|------------------|
| | £ | £ |
| Analysis by class of business: | | |
| Property assignment fees | 769,688 | 455,467 |
| Property sales | 1,930,820 | 2,280,000 |
| Rents receivable | 590,128 | 428,375 |
| Other sales | 329,309 | 239,896 |
| | <u>3,619,945</u> | <u>3,403,738</u> |

Turnover arises solely within the United Kingdom.

4 Profit before taxation

| | 2022 | 2021 |
|---------------------------------------|-------|------|
| | £ | £ |
| This is arrived at after charging: | | |
| Depreciation of tangible fixed assets | 2,093 | 99 |

Auditor's fees were paid by R.V. Services Limited, another group undertaking, in the year and the preceding period.

Elmbridge Village Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (continued)

5 Employees

There were no employees in the year to 31 March 2022 (2021: Nil) apart from the directors.

The directors received no emoluments in respect of their services to the company (2021: £Nil).

6 Taxation on profit

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| <i>UK corporation tax</i> | | |
| Adjustment in respect of previous periods | - | (262) |
| Current tax on profit for the year | - | - |
| | <hr/> | <hr/> |
| Total current tax | - | (262) |
| | <hr/> | <hr/> |
| <i>Deferred tax</i> | | |
| Origination and reversal of timing differences | 983,441 | 31,447 |
| Changes in tax rates | 971,172 | - |
| | <hr/> | <hr/> |
| Taxation on profit | 1,954,613 | 31,185 |
| | <hr/> | <hr/> |

The tax assessed for the year is higher than (2021: lower than) the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Profit before taxation | 6,498,344 | 897,259 |
| | <hr/> | <hr/> |
| Profit on ordinary activities at the standard rate of corporation tax in the UK off 19% (2021 - 19%) | 1,234,685 | 170,479 |
| Effect of: | | |
| Group relief claimed | (367,471) | (89,052) |
| Prior year tax charge | - | (262) |
| Exempt income for tax purposes | (867,104) | (81,427) |
| Depreciation in excess of capital allowances | (110) | - |
| Differences in tax rates/other timing differences | 1,954,613 | 31,447 |
| | <hr/> | <hr/> |
| Tax charge for the year | 1,954,613 | 31,185 |
| | <hr/> | <hr/> |

The aggregate current and deferred tax relating to items recognised in other comprehensive income is £Nil (2021 - £Nil).

Factors that may affect future tax charges

The March 2021 Budget announced an increase to the main rate of corporation tax to 25% from April 2023. This change was substantively enacted in May 2021. As a result deferred tax balances as at 31 March 2022 are measured at 25% (see note 11).

Elmbridge Village Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (*continued*)

7 Tangible fixed assets

| | Investment properties £ | Leasehold properties £ | Fixtures and fittings £ | Total £ |
|--------------------------|-------------------------------|------------------------------|-------------------------------|-------------------|
| <i>Cost or valuation</i> | | | | |
| At 1 April 2021 | 16,005,832 | 323,979 | 297 | 16,330,108 |
| Additions | 9,179 | - | 12,200 | 21,379 |
| Transfers to stock | (1,430,176) | - | - | (1,430,176) |
| Transfers from stock | 2,989,576 | - | - | 2,989,576 |
| Revaluation | 5,173,206 | - | - | 5,173,206 |
| Disposals | (9,137) | (29,750) | - | (38,887) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2022 | 22,738,480 | 294,229 | 12,497 | 23,045,206 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| <i>Depreciation</i> | | | | |
| At 1 April 2021 | - | - | 223 | 223 |
| Provided for the year | - | - | 2,093 | 2,093 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2022 | - | - | 2,316 | 2,316 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| <i>Net book value</i> | | | | |
| At 31 March 2022 | 22,738,480 | 294,229 | 10,182 | 23,042,890 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| <i>Net book value</i> | | | | |
| At 31 March 2021 | 16,005,832 | 323,979 | 74 | 16,329,885 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

Investment property related to rented units, assignment fees and ground rental income. Assignment fees and ground rent has no historic cost.

If investment property had been accounted for under the historic cost accounting rules, the property would have been measured as follows:

| | 2022 £ | 2021 £ |
|--|------------------|-----------|
| Historic cost | 5,585,098 | 4,025,656 |
| Accumulated depreciation and impairments | (24,888) | (34,177) |
| | <hr/> | <hr/> |
| | 5,560,210 | 3,991,479 |
| | <hr/> | <hr/> |

Investment properties are revalued to fair value annually, by the directors with reference to the latest external valuation performed in December 2021 by CBRE Limited. CBRE Limited are an independent, professionally qualified valuer. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual. Details on the assumptions made and the key sources of estimation uncertainty are given in note 2.

Elmbridge Village Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (continued)

| | | |
|--------------------------------|------------------|------------------|
| 8 Stocks | 2022 | 2021 |
| | £ | £ |
| Property stock for resale | 1,495,277 | 3,337,114 |
| Work in progress | 727,943 | 1,071,400 |
| Shop, restaurant and bar stock | 5,189 | 9,242 |
| | <hr/> | <hr/> |
| | 2,228,409 | 4,417,756 |
| | <hr/> | <hr/> |

There is no material difference between the replacement cost of stocks and the amounts stated above.

| | | |
|------------------------------------|----------------|----------------|
| 9 Debtors | 2022 | 2021 |
| | £ | £ |
| Trade debtors | - | 16,807 |
| Amounts owed by group undertakings | 1,383 | - |
| Other debtors and prepayments | 373,164 | 256,835 |
| | <hr/> | <hr/> |
| | 374,547 | 273,642 |
| | <hr/> | <hr/> |

All amounts shown under debtors fall due for payment within one year. Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

| | | |
|--|------------------|------------------|
| 10 Creditors: amounts falling due within one year | 2022 | 2021 |
| | £ | £ |
| Trade creditors | 8,458 | 68,600 |
| Amounts owed to group undertakings | 3,089,983 | 2,900,000 |
| Taxation and social security | 1,430 | 3,330 |
| Other creditors and accruals | 95,118 | 83,157 |
| | <hr/> | <hr/> |
| | 3,194,989 | 3,055,087 |
| | <hr/> | <hr/> |

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

Elmbridge Village Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (continued)

11 Provision for liabilities

| | Repurchase provision £ | Deferred taxation £ | Total £ |
|--|------------------------------|---------------------------|------------------|
| At 1 April 2021 | 323,979 | 2,091,937 | 2,415,916 |
| Release of provision | (29,750) | - | (29,250) |
| Charged to statement of comprehensive income | - | 1,954,613 | 1,954,613 |
| At 31 March 2022 | <u>294,229</u> | <u>4,046,550</u> | <u>4,340,779</u> |

Deferred taxation comprises:

Investment
property
revaluations
2022
£

Deferred tax liability

4,046,550

Deferred taxation comprises:

Investment
property
revaluations
2021
£

Deferred tax liability

2,091,937

12 Share capital

| | Allotted, called up and fully paid 2022 £ | 2021 £ |
|------------------------------|--|---------------|
| 10,000 ordinary shares of £1 | <u>10,000</u> | <u>10,000</u> |

The company's ordinary shares have attached to them full voting, dividend and capital distribution rights, including upon the winding up of the company. No rights of redemption are relevant.

13 Reserves

Share capital

The nominal value of the shares issued.

Profit and loss account

The cumulative profits or losses, net of dividends paid and other adjustments.

Investment property reserve

The fair value adjustments net of deferred tax of the annual adjustment of investment property to fair value.

Revaluation reserve

The revaluation of lease assets to an amount equal to the repurchase provision.

Elmbridge Village Limited

Notes forming part of the financial statements for the year ended 31 March 2022 *(continued)*

14 Immediate and ultimate parent company

The immediate parent undertaking of the company is Retirement Villages Limited, a company incorporated in England and Wales.

The smallest group in which the results of the company are consolidated is that headed by Retirement Villages Group Limited. The consolidated accounts are available to the public and may be obtained from 3rd Floor, 123 Victoria Street, London, SW1E 6RA or alternatively from Companies House.

The ultimate parent undertaking at the year end is AXA SA.

15 Related party disclosures

The company's principal activity is owning the freehold interest in an estate of residential units at Elmbridge Village, Surrey. The retirement village is managed by a separate management company, Elmbridge Village Management Limited which collects service charges from lessees in order to fund expenditure incurred in the management of the property. The company's intermediate parent, Retirement Villages Group owns and operates several retirement villages under this model which as well as Elmbridge include Blagdon, Thamesfield, Avonpark, Gittisham, Charters and Moat House.

All of the village management companies were owned by Retirement Villages Management Trust Holding Limited. Until 31 January 2022 Retirement Villages Management Trust Holding Limited was owned by Retirement Villages Management Trust Limited, a charitable company limited by guarantee. On 31 January 2022 a share purchase agreement was entered into where Harvitour Limited acquired Retirement Villages Management Trust Holding Limited from Retirement Villages Management Trust Limited. Harvitour Limited is a subsidiary of AXA SA and hence from this date Elmbridge Village Limited and the village management companies are under common control.

The following transactions took place between the company and its related parties during the year:

| <i>Related party balances and transactions</i> | Included within other debtors | Other net expenses recharged to/ (net income owed to) | Included within other debtors / (other creditors) | Other net expenses recharged to/ (net income owed to) |
|--|--|--|--|--|
| | 2022 | 2022 | 2021 | 2021 |
| | £ | £ | £ | £ |
| Elmbridge Village Management Limited | 210,448 | 7,465 | 202,803 | 90,404 |
| Blagdon Village Management Limited | 21,102 | 21,102 | - | - |
| Thamesfield Village Management Limited | 8,973 | 8,973 | - | - |
| RV Avonpark Village Management Limited | 8,020 | 8,020 | - | - |
| Gittisham Hill Park Management Limited | 645 | 645 | - | - |
| Charters Village Management Limited | 3,918 | 3,918 | - | - |
| RV Moat House Village Management Limited | 15,730 | 15,730 | - | - |