

## **Elmbridge Village Limited**

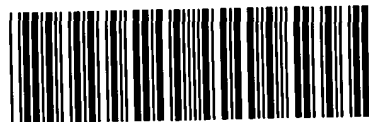
Report and Financial Statements

Year Ended

31 March 2021

Company Number 01483278

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# **Elmbridge Village Limited**

## **Report and financial statements for the year ended 31 March 2021**

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### **Directors**

W Bax  
Z Rocholl  
T Seddon  
H Trivedi

### **Secretary and registered office**

A Langley, 3<sup>rd</sup> 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 2021**

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#### **Principal activity**

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 paid to the ordinary shareholders on 31 March 2021 (2020 - £Nil).

#### **Directors**

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

W Bax	
S D Burgess	(resigned 11 December 2020)
N Donaldson	(resigned 31 May 2020)
Z Rocholl	(appointed 30 May 2020)
O Russell	(appointed 30 May 2020 and resigned 10 December 2020)
T Seddon	(appointed 30 May 2020)
H Trivedi	(appointed 2 November 2020)

#### **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 2020, 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.

## Elmbridge Village Limited

### Directors' report (*continued*) for the year ended 31 March 2021

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#### Auditors

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.

#### COVID-19 and Going concern

As at 31 March 2021 the company is reliant on the ongoing financial support of its ultimate parent company, Retirement Villages Group Limited, to allow the company to settle its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date of approving these financial statements.

The directors have also considered the general economic uncertainties that have arisen due to the COVID-19 global pandemic. Retirement Villages Group Limited has indicated its commitment to provide the necessary level of financial support to enable the company to weather the impact of COVID-19 and satisfy its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date of approving these financial statements. As the company is reliant on the support of Retirement Villages Group Limited, management has made enquiries and have considered it appropriate to also refer to the 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. It is on that basis that the directors have determined that the company should prepare its financial statements as a going concern.

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

#### Approval

On behalf of the Board

DocuSigned by:

Hetal Trivedi

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H Trivedi

Director

Date 03 March 2022

## **Elmbridge Village Limited**

### **Statement of director's responsibilities**

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#### **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

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#### 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 2021 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 2021 which comprise the statement of comprehensive income, the balance sheet, the 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.

## **Elmbridge Village Limited**

### **Independent auditor's report (*continued*)**

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#### **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. 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.

#### **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.

## Elmbridge Village Limited

### Independent auditor's report (*continued*)

#### 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 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 and 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;
- We designed audit procedures that specifically address the fraud risk due to the improper revenue recognition. Through our tailored procedures, we were able to mitigate the fraud risk by focusing on where management may feel pressure to achieve expected results;
- Enquiries with management as to whether there were known or suspected instances of non-compliance with laws and regulations or fraud; and
- Identifying and testing unusual journal entries.

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:  
  
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Michael Philp (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
Gatwick

Date: 10 March 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 2021

	Note	2021 £	2020 £
<b>Turnover</b>	3	3,403,738	4,837,913
Cost of sales		(2,926,213)	(3,298,687)
<b>Gross profit</b>		<b>477,525</b>	1,539,226
Administrative expenses		(183,026)	(219,459)
Fair value movement on investment property	6	602,760	(1,313,307)
<b>Operating profit</b>	4	<b>897,259</b>	6,460
Interest payable and similar charges		-	(2,199)
<b>Profit on ordinary activities before taxation</b>		<b>897,259</b>	4,261
Taxation charge on profit on ordinary activities	5	(31,185)	(200,650)
<b>Profit/(loss) and total comprehensive profit/(loss) for the financial year</b>		<b>866,074</b>	(196,389)

All amounts relate to continuing activities.

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

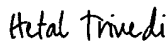
# Elmbridge Village Limited

## Balance sheet at 31 March 2021

<i>Company number 01483278</i>	<i>Note</i>	<i>2021</i> £	<i>2021</i> £	<i>2020</i> £	<i>2020</i> £
<b>Fixed assets</b>					
Tangible assets	6		16,329,885		15,286,902
<b>Current assets</b>					
Stocks	7	4,417,756		3,205,696	
Debtors	8	273,642		156,703	
Cash at bank and in hand		333,718		626,953	
		<u>5,025,116</u>		<u>3,989,352</u>	
<b>Creditors: amounts falling due within one year</b>	9	(3,055,087)		(1,762,111)	
<b>Net current assets</b>			<u>1,970,029</u>		<u>2,227,241</u>
<b>Total assets less current liabilities</b>			<u>18,299,914</u>		<u>17,514,143</u>
<b>Provisions for liabilities</b>	10		(2,415,916)		(2,496,219)
<b>Total net assets</b>			<u>15,883,998</u>		<u>15,017,924</u>
<b>Capital and reserves</b>					
Called up share capital	11		10,000		10,000
Revaluation reserve			540,069		540,069
Investment property reserve			10,212,217		9,640,904
Profit and loss account			5,121,712		4,826,951
			<u>15,883,998</u>		<u>15,017,924</u>

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

DocuSigned by:  
  
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H Trivedi

Director

3rd March 2022

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 2021

	Share capital £	Revaluation reserve £	Investment property reserve £	Profit and loss account £	Total equity £
<b>1 April 2020</b>	<b>10,000</b>	<b>540,069</b>	<b>9,640,904</b>	<b>4,826,951</b>	<b>15,017,924</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	866,074	866,074
Transfer	-	-	571,313	(571,313)	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>571,313</b>	<b>294,761</b>	<b>866,074</b>
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31 March 2021</b>	<b>10,000</b>	<b>540,069</b>	<b>10,212,217</b>	<b>5,121,712</b>	<b>15,883,998</b>
	Share capital £	Revaluation reserve £	Investment property reserve £	Profit and loss account £	Total equity £
<b>1 April 2019</b>	<b>10,000</b>	<b>540,069</b>	<b>10,964,355</b>	<b>3,699,889</b>	<b>15,214,313</b>
<b>Comprehensive loss for the year</b>					
Loss for the year	-	-	-	(196,389)	(196,389)
Transfer	-	-	(1,323,451)	1,323,451	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(1,323,451)</b>	<b>1,127,062</b>	<b>(196,389)</b>
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31 March 2020</b>	<b>10,000</b>	<b>540,069</b>	<b>9,640,904</b>	<b>4,826,951</b>	<b>15,017,924</b>

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 2021

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#### 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 undertaking's 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*

As at 31 March 2021 the company is reliant on the ongoing financial support of its ultimate parent company, Retirement Villages Group Limited, to allow the company to settle its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date of approving these financial statements.

The directors have also considered the general economic uncertainties that have arisen due to the COVID-19 global pandemic. Retirement Villages Group Limited has indicated its commitment to provide the necessary level of financial support to enable the company to weather the impact of COVID-19 and satisfy its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date of approving these financial statements. As the company is reliant on the support of Retirement Villages Group Limited, management has made enquiries and have considered it appropriate to also refer to the 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. It is on that basis that the directors have determined that the company should prepare its financial statements as a going concern.

##### *Revenue*

Revenue represents amounts receivable for the proceeds from the sale of leases, assignment fees from the resale of properties, rental income and other income. Property sales and assignment fees are recognised on legal completion. Rental income is accrued on straight-line basis over the period of the lease. Other income is recognised when receipt is reasonably certain.

## Elmbridge Village Limited

### Notes forming part of the financial statements (*continued*) for the year ended 31 March 2021

#### 1 Accounting policies (*continued*)

##### *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.

##### *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.

## Elmbridge Village Limited

### Notes forming part of the financial statements (*continued*) for the year ended 31 March 2021

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#### 1 Accounting policies (*continued*)

##### *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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred 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.

##### *Equity instruments*

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

## Elmbridge Village Limited

### Notes forming part of the financial statements *(continued)* for the year ended 31 March 2021

#### 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 2020 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 outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020 has impacted global financial markets. Given the unknown future impact that COVID-19 might have on the real estate market, CBRE Limited have recommended that the valuation of this property is kept under frequent review.

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 6)*

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

	2021 £	2020 £
Analysis by class of business:		
Property assignment fees	455,467	500,714
Property sales	2,280,000	3,717,500
Rents receivable	428,375	338,383
Other sales	239,896	281,316
	3,403,738	4,837,913

Turnover arises solely within the United Kingdom.

## Elmbridge Village Limited

### Notes forming part of the financial statements (*continued*) for the year ended 31 March 2021

#### 4 Profit on ordinary activities before tax

	2021 £	2020 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	99	1,497

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

The directors received no emoluments in respect of their services to the company. The company has no employees other than the directors.

#### 5 Taxation on profit on ordinary activities

	2021 £	2020 £
<i>UK Corporation tax</i>		
UK corporation tax on loss of prior year	(262)	9,244
UK corporation tax on profit of the year	-	181,262
Total current tax	(262)	190,506
<i>Deferred tax</i>		
Origination and reversal of timing differences	31,447	10,144
Taxation on ordinary activities	31,185	200,650

The tax assessed for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	897,259	4,261
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2020 - 19%)	170,479	810
Effect of:		
Expenses not deductible for tax purposes	(81,427)	277,162
Group relief claimed	(89,052)	(96,710)
Prior year tax (credit)/charge	(262)	9,244
Current tax (credit)/charge for the year	(262)	190,506

The aggregate current and deferred tax relating to items recognised in other comprehensive income is £Nil (2020 - £Nil).



## Elmbridge Village Limited

### Notes forming part of the financial statements *(continued)* for the year ended 31 March 2021

#### 5 Taxation on profit on ordinary activities *(continued)*

##### Factors that may affect future tax charges

A change in the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%. This will increase the Company's future tax charge accordingly.

#### 6 Tangible fixed assets

	Investment properties £	Leasehold properties £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>				
At 1 April 2020	14,851,000	435,729	297	15,287,026
Additions	1,614,719	-	-	1,614,719
Transfers to stock	(1,062,647)	(27,250)	-	(1,089,897)
Revaluation	602,760	-	-	602,760
Disposals	-	(84,500)	-	(84,500)
	<u>16,005,832</u>	<u>323,979</u>	<u>297</u>	<u>16,330,108</u>
At 31 March 2021				
<i>Depreciation</i>				
At 1 April 2020	-	-	124	124
Provided for the year	-	-	99	99
Disposals	-	-	-	-
	<u>-</u>	<u>-</u>	<u>223</u>	<u>223</u>
At 31 March 2021				
<i>Net book value</i>				
At 31 March 2021	<u>16,005,832</u>	<u>323,979</u>	<u>74</u>	<u>16,329,885</u>
<i>Net book value</i>				
At 31 March 2020	<u>14,851,000</u>	<u>435,729</u>	<u>173</u>	<u>15,286,902</u>

##### Investment property

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:

	2021 £	2020 £
Historic cost	4,025,656	3,149,606
Accumulated depreciation and impairments	(34,177)	(46,373)
	<u>3,991,479</u>	<u>3,103,233</u>

## Elmbridge Village Limited

### Notes forming part of the financial statements (*continued*) for the year ended 31 March 2021

#### 6 Tangible fixed assets (*continued*)

Investment properties are revalued to fair value annually, by the directors with reference to the latest external valuation performed in December 2020 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. Details on the assumptions made and the key sources of estimation uncertainty are given in note 2.

#### 7 Stocks

	2021 £	2020 £
Property stock for resale	3,346,356	1,317,105
Work in progress	1,071,400	1,888,591
	<u>4,417,756</u>	<u>3,205,696</u>

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

#### 8 Debtors

	2021 £	2020 £
Trade debtors	16,807	-
Other debtors and prepayments	256,835	156,703
	<u>273,642</u>	<u>156,703</u>

All amounts shown under debtors fall due for payment within one year.

#### 9 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	68,600	67,836
Amounts owed to group undertakings	2,900,000	1,513,245
Taxation and social security	3,330	4,154
Corporation tax	-	120,262
Other creditors	83,157	56,614
	<u>3,055,087</u>	<u>1,762,111</u>

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

## Elmbridge Village Limited

### Notes forming part of the financial statements *(continued)* for the year ended 31 March 2021

#### 10 Provision for liabilities

	Repurchase provision £	Deferred taxation £	Total £
At 1 April 2020	435,729	2,060,490	2,496,219
Release of provision	(111,750)	-	(111,750)
Charged to statement of comprehensive income	-	31,447	31,447
At 31 March 2021	<u>323,979</u>	<u>2,091,937</u>	<u>2,415,916</u>

The repurchase provision represents the obligation of the company to repurchase properties sold under old leases at the price at which they were bought by the purchaser upon the terms described in note 1.

Deferred taxation comprises:	Investment property revaluations 2021 £
Deferred tax liability	2,091,937
Deferred taxation comprises:	Investment property revaluations 2020 £
Deferred tax liability	2,060,490

#### 11 Share capital

	Allotted, called up and fully paid 2021 £	2020 £
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.

## Elmbridge Village Limited

### Notes forming part of the financial statements (*continued*) for the year ended 31 March 2021

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#### 12 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.

#### 13 Immediate and ultimate parent company

The immediate parent undertaking of the company is Retirement Villages Group 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.