

OAKHURST COURT HOLDINGS LIMITED
GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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FOR THE YEAR ENDED 31 MARCH 2021**

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OAKHURST COURT HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021**

DIRECTORS:

Mrs P L Jackson
Mr W J Davies

REGISTERED OFFICE:

Woodlands of Woolley Residential Home
Woolley Low Moor Lane
Woolley
Wakefield
West Yorkshire
WF4 2LN

REGISTERED NUMBER:

07238291 (England and Wales)

AUDITORS:

Cox Costello & Horne
Chartered Accountants and Statutory Auditors
26 Main Avenue
Moor Park
HA6 2HJ

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their strategic report of the company and the group for the year ended 31 March 2021.

REVIEW OF BUSINESS

The COVID-19 pandemic had a significant impact on trading for a substantial part of the year followed the government mandated lockdown. Despite the initial disruption, there was a growth in profit towards the end financial year in addition to the government pandemic support in the form of Coronavirus Job Retention Scheme, Business Rate Relief. Revenue totalled £3.78m for the year compared to £3.5m in 2020 which represented 8% increase in sales and GP margin was 42.9% compared to 41.1% in 2020.

During the reporting period, the holding company continues with the lending business creating surplus funds which have enabled the group to make a healthy margin on its shareholder funds.

Trading at our other homes is generally in line with our expectations and in some instances exceeds our expectations.

Regulators and particularly safeguarding committees take up more and more of their time leaving less time for us to improve the business.

I would like to express the Boards gratitude to Pearl Jackson and all our staff for their caring and support of our clients during these difficult times.

In Summary 2021 had been a tough year for the Group and for the care home industry as a whole. The Group will continue to provide excellent service for our clients and keep the occupancy rate as high as possible by careful planning and management. I am confident that the Group will continue to be able to achieve its goals and deliver first class service to the client.

PRINCIPAL RISKS AND UNCERTAINTIES

The principle risks and uncertainties of the business are as follows:

1. The affects and consequences of a Covid 19 outbreak in any of our homes.
2. The uncertainties in respect of announced inspections and decisions of the Care Quality Commission
3. Exposure to new legislation and regulatory requirements
4. The recruitment and retention of a skilled workforce particularly in connection with the uncertainties of Brexit
5. The potential withdrawal of local authority approval/funding

KEY PERFORMANCE INDICATORS

The directors consider the following key performance indicators of the business to be the most important and monitor them on a regular basis.

1. Investment in PPE
2. Investment in the property assets
3. Occupancy rates
4. Gross Margin
5. Wage costs per bed
6. Debtor turn
7. Cash balances

GOING CONCERN

The directors, after reviewing the group's operating budgets and financing arrangements, consider that the company and group have sufficient financing available at the date of approval of this report. Accordingly, the directors are satisfied that it is appropriate to adopt the going concern basis in preparing the annual report and financial statements. Refer to note 2 of the financial statements for further detail, in particular the assessment by the directors of the impact on the group of the Coronavirus pandemic.

A full description of the group's business activities, financial position, cash flows, liquidity position, committed facilities and borrowing position, together with the factors likely to affect its future development and performance, are set out in the Strategic Report.

ON BEHALF OF THE BOARD:

Mr W J Davies - Director

28 December 2021

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2021.

The report of the directors is a document produced by the board of directors under the requirement of UK company law. It details the state of the company and group, and its compliance with applicable financial, accounting and corporate social responsibility regulations.

DIVIDENDS

An interim dividend of £1.3938 per share on the Ordinary A £1 shares was paid. The directors recommend that no final dividend be paid on these shares.

No interim dividend was paid on the Ordinary B £1 shares. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the period ended 31 March 2021 will be £1,150,000 (2020: £1,290,000)

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

Mrs P L Jackson
Mr W J Davies

FINANCIAL INSTRUMENTS

The risk management objectives and policies of the group and the exposure of the group to price risk, credit risk, liquidity risk and cash flow risk are contained in the notes to the consolidated financial statements.

EMPLOYEES

The group operates non-discriminatory employment policies which are designed to attract, retain and motivate the very best people, recognising that this can only be achieved through offering equal opportunities regardless of age, disability, gender, race, religion, colour, nationality, marital status and sexual orientation.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned.

In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and that appropriate facilities are available and training is arranged. It is the policy of the group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Staff are encouraged to plan their careers within the group and to participate in appropriate ongoing training, consistent with the needs of the business.

All care homes develop their own internal communications and employees receive regular updates on the group's strategies, policies and results.

The group has taken appropriate steps during the financial year to introduce, maintain, or develop arrangements aimed at consulting employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions that are likely to affect their interests.

Our success is due to the teamwork and co-operation of the people within the group. The directors thank all those who have worked so hard and contributed so much to achieve these results during a demanding time. The group continues to develop and maintain a culture which encourages long service and we are proud that so many employees choose to remain with us over many years.

DIRECTORS' LIABILITY INSURANCE

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 financial year and is currently in force. The company also purchased and maintained throughout the financial year, directors' and officers' liability insurance in respect of itself and its directors.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2021**

AUDITORS

The auditors, Cox Costello & Horne, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr W J Davies - Director

28 December 2021

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2021**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OAKHURST COURT HOLDINGS LIMITED

Opinion

We have audited the financial statements of Oakhurst Court Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Profit and Loss account, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement 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 of the parent company affairs as at 31 March 2021 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 Auditors' 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 and the parent 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 in the Group Strategic Report, the Report of the Directors and the Statement of Directors' Responsibilities, but does not include the financial statements and our Report of the Auditors 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OAKHURST COURT HOLDINGS LIMITED

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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.

Auditors' responsibilities for the audit of the financial statements

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

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

- the engagement partner ensured that the engagement team had the appropriate competence, capabilities and skills to identify and recognise non-compliance with applicable laws and regulations;
- obtaining understanding of the legal and regulatory framework the parent and group companies operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we identified and considered in this context included UK Companies Act, tax legislation, employment law and Health and Safety.
- internal discussions amongst the engagement team establishing how and where fraud might occur in the financial statements and any potential indicators of fraud. The discussions identified the following for potential fraud and mitigating procedures:
 - performed analytical procedures to identify any unusual or unexpected relationships
 - assess risk of fraud through management bias and override of accounting & financial controls
 - testing journal entries for appropriateness and reviewing large and unusual bank transactions
- enquiring of management whether they are aware of any non-compliance with applicable laws & regulations and any actual or potential litigation claims;
- enquiring of management whether they have knowledge of any actual, suspected or alleged fraud;
- enquiring of management whether internal controls are designed to mitigate risk related to fraud or non-compliance with laws and regulations.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that some material misstatements in respect of irregularities may remain undiscovered even through the audit is properly planned and performed in accordance with ISA's (UK). Furthermore, the further removed those laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the directors of the company.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
OAKHURST COURT HOLDINGS LIMITED**

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 a Report of the Auditors 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.

Michael F Cox BSc FCA (Senior Statutory Auditor)
for and on behalf of Cox Costello & Horne
Chartered Accountants and Statutory Auditors
26 Main Avenue
Moor Park
HA6 2HJ

28 December 2021

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

		Year Ended 31.3.21 £	Period 1.5.19 to 31.3.20 £
	Notes		
TURNOVER		3,779,226	3,500,804
Cost of sales		<u>2,157,066</u>	<u>2,059,412</u>
GROSS PROFIT		1,622,160	1,441,392
Administrative expenses		<u>1,222,705</u>	<u>986,043</u>
		399,455	455,349
Other operating income		<u>364,500</u>	<u>15,314</u>
OPERATING PROFIT	5	763,955	470,663
Interest receivable and similar income		<u>96,454</u>	<u>104,447</u>
Interest payable and similar expenses	6	<u>(300,000)</u>	<u>(275,700)</u>
PROFIT BEFORE TAXATION		560,409	299,410
Tax on profit	7	<u>147,870</u>	<u>83,222</u>
PROFIT FOR THE FINANCIAL YEAR		412,539	216,188
OTHER COMPREHENSIVE INCOME			
Property revaluations			
Income tax relating to other comprehensive income		-	(171,185)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>-</u>	<u>(171,185)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		412,539	45,003
Profit attributable to: Owners of the parent		<u>412,539</u>	<u>216,188</u>
Total comprehensive income attributable to: Owners of the parent		<u>412,539</u>	<u>45,003</u>

CONSOLIDATED BALANCE SHEET
31 MARCH 2021

	Notes	31.3.21 £	£	31.3.20 £	£
FIXED ASSETS					
Tangible assets	10		9,222,545		9,406,502
Investments	11		-		-
			9,222,545		9,406,502
CURRENT ASSETS					
Stocks	12	2,669		2,669	
Debtors	13	442,741		1,227,375	
Cash at bank and in hand		1,695,985		767,853	
		2,141,395		1,997,897	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	2,718,615		2,018,033	
NET CURRENT LIABILITIES			(577,220)		(20,136)
TOTAL ASSETS LESS CURRENT LIABILITIES			8,645,325		9,386,366
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15		(3,000,000)		(3,000,000)
PROVISIONS FOR LIABILITIES	17		(1,047,416)		(1,050,996)
NET ASSETS			4,597,909		5,335,370
CAPITAL AND RESERVES					
Called up share capital	18		825,100		825,100
Revaluation reserve	19		3,769,546		3,875,148
Retained earnings	19		3,263		635,122
SHAREHOLDER FUNDS			4,597,909		5,335,370

The financial statements were approved by the Board of Directors and authorised for issue on 28 December 2021 and were signed on its behalf by:

Mr W J Davies - Director

COMPANY BALANCE SHEET
31 MARCH 2021

	Notes	31.3.21 £	£	31.3.20 £	£
FIXED ASSETS					
Tangible assets	10		-		-
Investments	11		<u>1,776,526</u>		<u>1,776,526</u>
			1,776,526		1,776,526
CURRENT ASSETS					
Debtors	13	2,776,018		2,271,803	
Cash at bank		<u>782,922</u>		<u>372,828</u>	
		3,558,940		2,644,631	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	14	<u>1,510,114</u>		<u>544,554</u>	
NET CURRENT ASSETS			<u>2,048,826</u>		<u>2,100,077</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,825,352		3,876,603
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
	15		<u>3,000,000</u>		<u>3,000,000</u>
NET ASSETS			<u>825,352</u>		<u>876,603</u>
CAPITAL AND RESERVES					
Called up share capital	18		825,100		825,100
Retained earnings	19		<u>252</u>		<u>51,503</u>
SHAREHOLDERS' FUNDS			<u>825,352</u>		<u>876,603</u>
Company's profit for the financial year			<u>1,098,749</u>		<u>1,657,517</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 December 2021 and were signed on its behalf by:

Mr W J Davies - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 May 2019	825,100	1,286,524	4,468,743	6,580,367
Total comprehensive income	-	638,598	(593,595)	45,003
Dividends	-	(1,290,000)	-	(1,290,000)
Balance at 31 March 2020	<u>825,100</u>	<u>635,122</u>	<u>3,875,148</u>	<u>5,335,370</u>
Total comprehensive income	-	518,141	(105,602)	412,539
Dividends	-	(1,150,000)	-	(1,150,000)
Balance at 31 March 2021	<u>825,100</u>	<u>3,263</u>	<u>3,769,546</u>	<u>4,597,909</u>

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 May 2019	825,100	(316,014)	509,086
Total comprehensive income	-	1,657,517	1,657,517
Dividends	-	(1,290,000)	(1,290,000)
Balance at 31 March 2020	825,100	51,503	876,603
Total comprehensive income	-	1,098,749	1,098,749
Dividends	-	(1,150,000)	(1,150,000)
Balance at 31 March 2021	825,100	252	825,352

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

		Year Ended 31.3.21 £	Period 1.5.19 to 31.3.20 £
Cash flows from operating activities	Notes		
Cash generated from operations	24	321,384	557,648
Interest paid		(300,000)	(275,700)
Government grants		344,081	-
Tax paid		(92,878)	(103,342)
Net cash from operating activities		<u>272,587</u>	<u>178,606</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(31,302)	(12,468)
Interest received		100,180	60,000
Net cash from investing activities		<u>68,878</u>	<u>47,532</u>
Cash flows from financing activities			
Secured loans net settled		308,000	410,000
Group loan net borrowing		967,323	(25,610)
Amount introduced by directors		461,344	-
Equity dividends paid		(1,150,000)	(1,290,000)
Net cash from financing activities		<u>586,667</u>	<u>(905,610)</u>
Increase/(decrease) in cash and cash equivalents		<u>928,132</u>	<u>(679,472)</u>
Cash and cash equivalents at beginning of year	25	767,853	1,447,325
Cash and cash equivalents at end of year	25	<u>1,695,985</u>	<u>767,853</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. GENERAL INFORMATION

Oakhurst Court Holdings Limited is a private company limited by shares incorporated in England (the "company").

The registered office is c/o Woodlands of Woolley Residential Home, Woolley Low Moor Lane, Wakefield, WF4 2LN.

The consolidated financial statements for the period ended 31 March 2021 comprise the financial statements of the company and its subsidiaries (the "group"). In the previous year, the accounting period for the group was amended to end on 31 March, which is an eleven month period. The comparatives relate to a eleven month period.

The directors have taken advantage of the exemption, as permitted by Section 408 of the Companies Act 2006 and not presented a profit and loss account nor statement of comprehensive income for the company alone.

The group's principal activities are set out in the strategic report.

2. STATUTORY INFORMATION

Oakhurst Court Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

3. ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Going concern and COVID-19

In determining the appropriate basis of preparation of the financial statements for the period ended 31 March 2021, the directors are required to consider whether the group can continue in operational existence for the foreseeable future; taken to be 12 months from signing the financial statements. The board of directors have concluded that it is appropriate to adopt the going concern basis, having undertaken a thorough assessment of the financial forecasts with specific consideration to the trading position of the group in the context of the current Coronavirus pandemic in the UK, for the reasons set out below.

The directors have assessed the group's financial commitments and consider, after taking into account cash generated from operations and existing facilities, the business would have sufficient liquidity to continue to operate and to discharge its liabilities as they fall due.

The directors, after reviewing the group's operating budgets and financing arrangements, consider that the company and group have sufficient financing available at the date of approval of this report.

The directors have separately considered the uncertainty as to the future impact of COVID-19 on the ongoing concern assessment. To date the impact on the occupancy rates have remained stable, however the directors cannot predict the longer term impact of the crises. The directors do not consider there to be a material uncertainty arising from the specific downside scenario impact of the crises on the company's and group's occupancy levels and cashflows.

Accordingly, the directors are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

3. **ACCOUNTING POLICIES- continued**

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- no cash flow statement or net debt reconciliation has been presented for the parent company;
- disclosures in respect of the parent company's income, expense, net gains and net losses on financial instruments measured at amortised cost have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- no disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

Basis of consolidation

The group's consolidated financial statements incorporate the results for the company and all entities controlled by the company including its subsidiaries made up to the period-end date.

Subsidiaries and related undertakings

Subsidiary undertakings are all entities over which the group has control. Control exists when the group has the power to direct the relevant activities of an entity so as to affect the return on investment. All intercompany balances, transactions and unrealised gains are eliminated upon consolidation.

Company

Investments in subsidiaries are carried at cost less any impairment loss in the financial statements of the company.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's and group's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying value 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.

The following are the key sources of estimation uncertainty that the directors have assessed as being applicable to the company and group and that the most significant effect on the amounts recognised in the financial statements.

(a) Valuation of freehold property

The valuation method of freehold property is considered most likely to have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. In order to provide an up-to-date accurate valuation an external valuer is contracted to value the property; the latest valuation was undertaken 28 June 2016. In future periods, the directors will continue to review the carrying value of the property to ensure it remains in line with its fair value.

(b) Impairment of investment in subsidiary undertakings

Determining whether the carrying values of the company's investments is impaired requires an estimation of the value in use of the cash-generating units of each of the investments. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. At the balance sheet date, the directors are satisfied that no further provision was necessary against the carrying amount of investments at the balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

3. ACCOUNTING POLICIES - continued

Risk management

(a) Financial risk

The group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department to limit the adverse effects of such finance risks by monitoring levels of debt and related finance costs.

(a - i) Market risk

The group has no exposure to equity securities price risk, as it has no listed equity investments. The group has both interest-bearing assets and liabilities. Interest-bearing assets include only cash balances, all of which earn interest at a variable rate. The group has a policy of maintaining debt at a fixed or capped rate to ensure certainty of future interest cash flows. Thus the group is only exposed to fair value interest rate risk, which is not expected to have a significant impact on profit or loss or equity.

(a - ii) Credit risk

Credit risk arises from cash and cash equivalents as well as exposure to customers including outstanding debtors.

(a - iii) Liquidity risk

The group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure that the group has sufficient available funds for operations and planned expansions.

(b) Capital risk

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the group excluding trade discounts.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. The specific methods used to recognise the different forms of revenue earned by the group are set out below:

- sale of goods: turnover and profit from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be reliably measured; and
- rendering of services: turnover and profit from the provision of services is recognised as the contract activity progresses to reflect the performance of the underlying contractual obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost and not provided
Plant and machinery	- 25% on cost

Freehold land is considered to have an infinite life and is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Tangible assets (not including freehold property) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use.

Freehold property is originally stated at deemed cost held at valuation at the date of transition to FRS 102. Freehold property is subsequently held at their latest revaluation amount less any accumulated depreciation and accumulated impairment losses. Revaluation gains and losses are taken to a revaluation reserve within equity and reported as other comprehensive income. Revaluation loss is taken to the revaluation reserve to the extent that there is a surplus on the revaluation reserve. Any excess of the loss over the surplus is taken to the profit and loss account. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Valuations are undertaken on a "desk top" basis by a Chartered Surveyor from Cushman & Wakefield on a bi annual basis.

Impairment of fixed assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised immediately in profit or loss.

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale - purchase cost on a first-in, first-out basis.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

3. ACCOUNTING POLICIES - continued

Basic financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

(a) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(b) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

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

Derivatives, including foreign currency swaps and forward foreign exchange contracts, are not basic financial instruments. The group has no such financial instruments.

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

(c) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

3. **ACCOUNTING POLICIES - continued**

Taxation

Current tax

Current tax is accounted for on the basis of tax laws enacted or substantively enacted at the balance sheet date. Current tax is charged or credited to the profit and loss account, except when it relates to items charged to equity or other comprehensive income.

Deferred tax

Deferred tax is accounted for on the basis of temporary differences arising from differences between the tax base and accounting base of assets and liabilities.

Deferred tax is recognised for all temporary differences, except to the extent where it arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of transaction, affects neither accounting profit nor taxable profit. It is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity or other comprehensive income.

Deferred tax is provided on temporary differences associated with investments in subsidiaries and joint ventures except where the group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Leasing commitments

Rentals payable under operating leases are recognised as an expense on a straight line basis over the lease term.

Pension costs

The group operates, for the benefit of its employees, a defined contribution scheme. The scheme is funded by the payment of contributions to trustee administered funds which are kept entirely separate from the assets of the group. The group does not operate any defined benefit retirement arrangements.

As of 1 April 2015 it became a statutory requirement to enrol all eligible staff into a workplace pension scheme. Employees are enrolled in the NEST Pension Scheme, an independently administered scheme, and is a defined contribution pension scheme. The employee can choose to "opt out" of the scheme after they have been auto-enrolled, this opt out lasts for three years, after which time the group will be required to re-enrol the employee. The group is required to make employer contributions of the employee's qualifying salary to the NEST Pension Scheme. The pension costs represents contributions payable under the scheme and the group has no liability under the scheme other than for the payment of those contributions.

Contributions outstanding at the balance sheet date amounted to £9,960 (2020 - £5,088).

Share capital and dividends

All company shares are classified as equity.

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

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are cancelled.

Dividends

Dividends on ordinary shares are recognised as a liability at the time it becomes obligated to pay.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

4. EMPLOYEES AND DIRECTORS

	Year Ended 31.3.21 £	Period 1.5.19 to 31.3.20 £
Wages and salaries	1,594,468	1,436,385
Social security costs	121,677	107,180
Other pension costs	25,904	22,913
	<u>1,742,049</u>	<u>1,566,478</u>

The average number of employees during the year was as follows:

	Year Ended 31.3.21	Period 1.5.19 to 31.3.20
Managerial and administrative	5	5
Care, catering, domestic and maintenance	<u>88</u>	<u>87</u>
	<u>93</u>	<u>92</u>

Key management compensation

Key management includes the directors of the company and managerial staff of care homes. Key management compensation includes salaries, national insurance costs and pension costs. Costs of key management compensation are included within operating expenses.

	Year Ended 31.3.21 £	Period 1.5.19 to 31.3.20 £
Directors' remuneration	<u>-</u>	<u>-</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	Year Ended 31.3.21 £	Period 1.5.19 to 31.3.20 £
Other operating leases	9,000	8,250
Depreciation - owned assets	215,259	229,926
Auditors' remuneration	4,677	4,425
The auditing of group undertakings of the company	11,105	4,469
Non-audit services - accounts preparation	<u>8,585</u>	<u>14,313</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 31.3.21 £	Period 1.5.19 to 31.3.20 £
Interest payable on loan notes	<u>300,000</u>	<u>275,700</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	Year Ended 31.3.21 £	Period 1.5.19 to 31.3.20 £
Current tax:		
UK corporation tax	151,450	97,471
Prior year overprovision	-	(1,289)
Total current tax	151,450	96,182
Deferred tax	(3,580)	(12,960)
Tax on profit	147,870	83,222

UK corporation tax has been charged at 26.39% (2020 - 27.80%).

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31.3.21 £	Period 1.5.19 to 31.3.20 £
Profit before tax	560,409	299,410
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	106,478	56,888
Effects of:		
Depreciation in excess of capital allowances	30,704	27,623
Adjustments to tax charge in respect of previous periods	-	(1,289)
Unutilised tax losses	10,688	-
Total tax charge	147,870	83,222

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 March 2021.

	Gross £	1.5.19 to 31.3.20 Tax £	Net £
Property revaluations	-	(171,185)	(171,185)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

7. TAXATION - continued

Factors that may affect future tax charges**(a) Tax rate changes**

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2021 on 24 May 2021 (Royal Assent received on 10 June 2021). These include increasing the main rate of tax from 19% to 25% from 1 April 2023 on profits over £250,000. The rate for small profits under £50,000 will remain at 19%.

Where a company's profits fall between £50,000 and £250,000 (the lower and upper limits), it will be able to claim an amount of marginal relief, providing a gradual increase in the corporation tax rate.

A 'super-deduction' will be introduced from 1 April 2021 until 31 March 2023 allowing companies to benefit from a 130% first-year allowance for capital expenditure on qualifying new plant and machinery assets.

Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

(b) Deferred tax

Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

8. INDIVIDUAL PROFIT AND LOSS ACCOUNT

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss account of the parent company is not presented as part of these financial statements.

9. DIVIDENDS

	Year Ended 31.3.21 £	Period 1.5.19 to 31.3.20 £
Ordinary A shares of £1 each		
Interim	<u>1,150,000</u>	<u>1,290,000</u>

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 April 2020	10,000,000	490,409	4,000	10,494,409
Additions	-	31,302	-	31,302
At 31 March 2021	<u>10,000,000</u>	<u>521,711</u>	<u>4,000</u>	<u>10,525,711</u>
DEPRECIATION				
At 1 April 2020	646,400	437,507	4,000	1,087,907
Charge for year	161,600	53,659	-	215,259
At 31 March 2021	<u>808,000</u>	<u>491,166</u>	<u>4,000</u>	<u>1,303,166</u>
NET BOOK VALUE				
At 31 March 2021	<u>9,192,000</u>	<u>30,545</u>	<u>-</u>	<u>9,222,545</u>
At 31 March 2020	<u>9,353,600</u>	<u>52,902</u>	<u>-</u>	<u>9,406,502</u>

Included in cost or valuation of land and buildings is freehold land of £1,482,500 (2020 - £1,482,500) which is not depreciated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

10. TANGIBLE FIXED ASSETS - continued

Group

At the reporting date, the directors consider without undertaking a formal valuation that the carrying value of freehold property to be in line with open market expectations.

Cost or valuation at 31 March 2021 is represented by:

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
Valuation in 2016	5,342,207	-	-	5,342,207
Cost	4,657,793	521,711	4,000	5,183,504
	<u>10,000,000</u>	<u>521,711</u>	<u>4,000</u>	<u>10,525,711</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	31.3.21 £	31.3.20 £
Cost	<u>3,456,034</u>	<u>3,456,034</u>
Aggregate depreciation	<u>1,085,268</u>	<u>1,029,270</u>
Value of land in freehold land and buildings	<u>656,148</u>	<u>656,148</u>

Freehold land and buildings were valued on an informal basis on 31 March 2020 by directors .

The last time a full valuation was undertaken, was on 28 June 2016, undertaken by DTZ Debenham Tie Leung Limited.

Due to the uncertainty brought on by Covid, the directors have revisited the "Special Comment Regarding Valuation Methodology in a Covid Environment (see below)" as mentioned in the 31 March 2020 financial statements. The directors have reassessed commentary and have concluded due to the material uncertainty existing in the healthcare market, a formal valuation will be reconsidered for the 31 March 2022 financial statements.

"Special Comment Regarding Valuation Methodology in a Covid-19 Environment by Martin Robb BSc FRICS, International Partner, Cushman & Wakefield Debenham Tie Leung Limited.

As at 31 March 2020, the RICS, as the regulatory body for valuations, had recommended that Material Uncertainty clauses be applied to all valuations.

As agents in the healthcare market we noticed almost all transactional activity come to a halt, rather than terminated. A key factor concerning valuations is the presumption of the "willing buyer and willing seller". In our opinion those circumstances did not exist. Sellers were faced with uncertainty around future trade, but if not forced sellers for any reason, they were comfortable in withdrawing the assets from a sale process. Conversely, buyers were looking to reduce prices often for no better reason than they felt they should ask. The result was an impasse accordingly. We believe that a valuation of the assets at 31 March 2020 for balance sheet purposes would be difficult as normal market trading conditions had in effect been suspended.

As at September 2020, a valuation for balance sheet purposes would have to look back at market conditions where transactions were largely being put on hold. We would be adopting a date of valuation when Material Uncertainty applied (as defined by the RICS Red Book) and hindsight confirms this was not lifted until late August 2020. In other words, it was not reasonably foreseeable as at 31 March 2020 that it would be lifted.

It therefore seems reasonable to us that a logical conclusion in the circumstances is not to carry out a revaluation for balance sheet purposes as at 31 March 2020."

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

11. FIXED ASSET INVESTMENTS

All undertakings listed below are fully owned by the company and interests represent ordinary share capital. All undertakings are consolidated in full.

The nature of business for all the undertakings listed below: care home services.

The registered address for all the undertakings listed below: Woodlands of Woolley Residential Home, Woolley Low Moor Lane, Wakefield, WF4 2LN.

a) Subsidiary undertakings

Entity	Country of incorporation	Interest	Holding
Charlton Court Care Home Limited	UK	100%	Direct
Oakhurst Court Limited	UK	100%	Direct

Group and company

The directors consider that the carrying value of investments are supported by their underlying net assets.

12. STOCKS

	Group	
	31.3.21	31.3.20
	£	£
Stocks	<u>2,669</u>	<u>2,669</u>

13. DEBTORS

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	103,759	139,575	-	-
Other debtors	255,023	543,141	188,984	516,250
Directors' current accounts	72,204	518,008	-	-
Prepayments	11,755	26,651	-	-
	<u>442,741</u>	<u>1,227,375</u>	<u>188,984</u>	<u>516,250</u>
Amounts falling due after more than one year:				
Amounts owed by group undertaking	-	-	2,587,034	1,755,553
Aggregate amounts	<u>442,741</u>	<u>1,227,375</u>	<u>2,776,018</u>	<u>2,271,803</u>

Amount owed by group undertaking is unsecured, attracts no interest, has no fixed terms of repayment and considered payable on demand.

Other debtors include loans totalling £188,984 (2020: £543,141) which are secured by registered legal charges.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Trade creditors	92,987	55,291	-	-
Amounts owed to group undertaking	1,425,000	457,677	1,425,000	457,677
Tax	151,450	92,878	-	1,763
Social security and other taxes	64,222	54,238	-	-
Other creditors	945,927	1,332,723	77,233	77,233
Accruals	39,029	25,226	7,881	7,881
	<u>2,718,615</u>	<u>2,018,033</u>	<u>1,510,114</u>	<u>544,554</u>

Amounts owed to group undertaking is unsecured, attracts no interest, has no fixed terms of repayment and considered payable on demand.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Amount owed to group undertakings	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>

Group and company

To document existing indebtedness of the company, the company entered into a loan note instrument dated 8 June 2012. Pursuant to which, £3,000,000 of 10% redeemable loan notes are now issued to the company's principal shareholder, Oakhurst Court Holdings (Cayman) Limited. 2,500,000 10% redeemable loan notes were initially admitted to the Official List of the Channel Islands Stock Exchange on the 13 July 2012. A further 500,000 10% redeemable loan notes were admitted on the 3 October 2016. The loan notes are redeemable in full at par on the maturity date of 8 June 2022.

Company

Amounts owed to group undertaking is unsecured, attracts no interest, has no fixed terms of repayment and considered payable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

16. BASIC FINANCIAL INSTRUMENTS

Group

The group has the following basic financial instruments:

	31.3.21 £	31.3.20 £
Financial assets measured at amortised cost	<u>2,129,640</u>	<u>1,971,246</u>
Financial liabilities measured at amortised cost	<u>5,502,943</u>	<u>4,870,917</u>

Company

The company has the following basic financial instruments:

	31.3.21 £	31.3.20 £
Financial assets that are debt instruments measured at amortised cost	<u>3,558,940</u>	<u>2,644,631</u>
Financial liabilities measured at amortised cost	<u>4,510,114</u>	<u>3,542,791</u>

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at cost comprise trade creditors, other creditors, amounts owed to group undertakings and accruals.

17. PROVISIONS FOR LIABILITIES

	Group	
	31.3.21 £	31.3.20 £
Deferred tax	<u>1,047,416</u>	<u>1,050,996</u>
Group		
		Deferred tax
		£
Balance at 1 April 2020		1,050,996
Accelerated capital allowances		(3,580)
Balance at 31 March 2021		<u>1,047,416</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	31.3.21	31.3.20
Number:	Class:		£	£
825,000	Ordinary A	£1	825,000	825,000
100	Ordinary B	£1	<u>100</u>	<u>100</u>
			<u>825,100</u>	<u>825,100</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

19. RESERVES

Group

	Retained earnings £	Revaluation reserve £	Totals £
At 1 April 2020	635,122	3,875,148	4,510,270
Profit for the year	412,539	-	412,539
Dividends	(1,150,000)	-	(1,150,000)
Depreciation transfer	105,602	(105,602)	-
At 31 March 2021	<u>3,263</u>	<u>3,769,546</u>	<u>3,772,809</u>

Company

	Retained earnings £
At 1 April 2020	51,503
Profit for the year	1,098,749
Dividends	(1,150,000)
At 31 March 2021	<u>252</u>

Revaluation reserve represents the surplus or deficit arising between the fair value and book value of freehold properties and deferred tax thereon.

20. ULTIMATE PARENT COMPANY

Oakhurst Court Holdings (Cayman) Limited (incorporated in the Cayman Islands) is regarded by the directors as being the company's ultimate parent company.

According to Cayman Islands company law, Companies Law (2018 Revision), there is no statutory requirement to prepare financial statements. Oakhurst Court Holdings Limited, as an intermediary parent of a group, prepares consolidated financial statements and can be obtained from Oakhurst Court Holdings Limited's registered office. The directors consider these financial statements to be the largest for which group financial statements are prepared and in which the company's results are included.

There has been no change between the reporting date and date of approval of the financial statements.

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

At the reporting date, director Mrs P L Jackson owed the company £72,204 (2020: £518,008). At the reporting date, outstanding amount is unsecured, attracts interest, has no fixed terms of repayment and considered payable on demand.

22. RELATED PARTY DISCLOSURES

Oakhurst Court Holdings (Cayman) Ltd - parent company

During the reporting period, the company incurred interest of £300,000 (2020: £275,700) and rent of £9,000 (2020: £8,250). At the reporting date, the amount outstanding was £275,000 (2020: £457,677).

During the reporting period, dividends paid totalled £1,150,000 (2020: £1,290,000).

ADL Plc - key management personnel are common

During the reporting period, the company contracted services and amounts due under profit share arrangements totalled £526,271 (2020: £508,089). At the reporting date, the amount outstanding was £605,869 (2020: £908,014).

At the reporting date, outstanding amounts are unsecured, attract no interest, have no fixed terms of repayment and considered payable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

23. ULTIMATE CONTROLLING PARTY

At the reporting date, in the directors' opinion, Mr H Harford was the ultimate controlling party. There has been no change between the reporting date and date of approval of the financial statements.

24. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Year Ended 31.3.21 £	Period 1.5.19 to 31.3.20 £
Profit before taxation	560,409	299,410
Depreciation charges	215,259	229,926
Government grants	(344,081)	-
Finance costs	300,000	275,700
Finance income	(96,454)	(104,447)
	<u>635,133</u>	<u>700,589</u>
Decrease in trade and other debtors	11,564	36,356
Decrease in trade and other creditors	(325,313)	(179,297)
Cash generated from operations	<u>321,384</u>	<u>557,648</u>

25. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2021

	31.3.21 £	1.4.20 £
Cash and cash equivalents	<u>1,695,985</u>	<u>767,853</u>

Period ended 31 March 2020

	31.3.20 £	1.5.19 £
Cash and cash equivalents	<u>767,853</u>	<u>1,447,325</u>

26. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	<u>767,853</u>	<u>928,132</u>	<u>1,695,985</u>
	<u>767,853</u>	<u>928,132</u>	<u>1,695,985</u>
Total	<u>767,853</u>	<u>928,132</u>	<u>1,695,985</u>

27. IMPACT OF COVID-19 PANDEMIC

The adverse impact of Covid-19 globally, nationally and across the care home sector has been, and continues to be unprecedented. There remains significant uncertainty as to both the duration and quantum of Covid-19's effects on the company's and group's business and the extent to which the company and group may benefit financially from support from central and local government. As such, there is a wide range of potential outcomes for the company's and group's cash flows from the impact from Covid-19. The directors have considered the company's and group's current key performance indicators to identify and quantify the potential impact of Covid-19 on the company's and group's cash flows, although the actual impact could be materially different.

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