

Cavendish Close Limited
Annual Report and Financial Statements
Year Ended 31 March 2022

Registration number: 02399435

Cavendish Close Limited

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Cavendish Close Limited

Strategic Report for the Year Ended 31 March 2022

The directors present their strategic report for the year ended 31 March 2022.

Principal activity

The principal activity of the company is that of Care Home operators.

Fair review of the business

The company has had another profitable year, with the care home maintaining occupancy levels of 73%, on average, for the full year. Occupancy has fallen slightly compared to the prior year due to refurbishment work. This has meant managing admissions to maintain an artificially low resident number in order to facilitate the moving of residents around the available rooms to ensure this was completed in full and safely in line with needs of the residents that live with Dementia. Despite this, turnover increased to £5,498k (2021 - £5,439k) due an increase in average room rates to reflect the increasing cost in care.

The home has experienced rising costs, mainly due to inflation, and also due to additional maintenance costs completed alongside the refurbishment. Nevertheless, the company has remained very profitable, with a profit before tax of £397k (2021 - £631k).

The care home has continued to maintain a very high standard and continues to hold a CQC rating of "outstanding", despite being an independent care home, and this has meant that we are really considered leaders in our field.

During the year we also had a number of achievements, which included:

- Being elected to board of The Outstanding Society, a community interest company designed to promote best practise in the sector;
- Becoming ambassador for Championing Social Care;
- Winning the Dignity & Respect Care Home of the Year at the National Care Awards; and
- Winning the The Care Leadership Award at the National Care Awards.

Looking forward, staffing and recruitment remains a national challenge, so we have been recruiting internationally to source team members to fill the gaps and reduce agency costs. The needs of residents are also increasing and the complexity of care packages we offer means we need a higher number of staff and more training to maintain standards and effective service.

The company maintains a strong net asset position, including £1.4m of cash reserves.

The directors expect to maintain high occupancy levels in the coming year, with a view to expand using the good reputation that the group has built for itself.

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

| | Unit | 2022 | 2021 |
|------------------------------------|------|-----------|-----------|
| Turnover | £ | 5,498,157 | 5,438,536 |
| Profit before tax and depreciation | £ | 664,431 | 881,167 |
| Net profit | £ | 281,945 | 489,437 |
| Average occupancy | % | 73 | 79 |
| Net assets of the company | £ | 9,668,344 | 9,694,161 |

Cavendish Close Limited

Strategic Report for the Year Ended 31 March 2022

Going concern

During the year ending March 2023, the company expects occupancy to return to pre-COVID levels of approximately 80%. The company also expects to successfully manage its costs, without affecting the outstanding level of care provided, in order to achieve a positive cashflow. In addition, the recent CQC rating and the care awards achieved provide comfort that the company will return to healthy profitability and positive cashflow.

Principal risks and uncertainties

Management consider that the principal risk to the business would be a negative review from a Care Quality Commission inspection that could result in an enforcement action and the subsequent impact on the reputation of the home. To mitigate this risk, all care staff are trained to a high level and the retention of high quality staff that management trust, together with a compliance manager as part of the team.

Approved by the Board on 21 December 2022 and signed on its behalf by:

.....

Mr G D Dhrona

Director

Cavendish Close Limited

Directors' Report for the Year Ended 31 March 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Directors of the company

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

Mr G D Dhrona

Mr V D Dhrona

Mr S G Dhrona

Financial risk management objectives and policies

The Company's principal financial instruments comprise of bank loan and overdraft balances, amounts owed to group undertakings, debtors and creditors. The Company is exposed to variations in the London Inter Bank Offered Rates in connection with bank borrowings. The Company has no such exposure to other financial instruments. The financial instruments are carefully managed to ensure that there is little or no liquidity risk and that payments to creditors are made as and when they fall due. The company has no exposure to exchange rate risk.

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

The company operates a care home which is highly regulated by the CQC, meaning there is some risk of a poor CQC rating could heavily impact operations. However, the company currently holds an "outstanding" CQC rating and management does everything it can to remain at the top of it's sector. There is also some credit risk, however debtors are small and minimal bad debts are experienced.

Disclosure of information to the auditors

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

Approved by the Board on 21 December 2022 and signed on its behalf by:

.....

Mr G D Dhrona
Director

Cavendish Close Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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.

Cavendish Close Limited

Independent Auditor's Report to the Members of Cavendish Close Limited

Opinion

We have audited the financial statements of Cavendish Close Limited (the 'company') for the year ended 31 March 2022, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the 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. 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 director's 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 original financial statements were authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Cavendish Close Limited

Independent Auditor's Report to the Members of Cavendish Close Limited

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor 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.

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:

Cavendish Close Limited

Independent Auditor's Report to the Members of Cavendish Close Limited

As part of our audit planning, through discussions with management, we obtained an understanding of the legal and regulatory framework that is applicable to the company and the sector in which it operates to identify the key laws and regulations affecting the company.

The company operates in the health and adult social care sector which is regulated by the Care Quality Commission (CQC). The regulator sets out a constantly evolving list of regulations that all care homes must follow such as compliance with key laws and regulations including Health and Safety, Manual Handling and Food Hygiene regulations. CQC carry out routine inspections to ensure care homes are following these regulations and have the power to bring legal proceedings against any home that does not comply.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily the Companies Act 2006, the reporting framework (FRS 102), and relevant tax compliance regulations in the UK.

We discussed with management how the compliance with these laws and regulations is monitored and we discussed the policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations and deals with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the company's ability to continue trading and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management and those charged with governance regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- Review of latest CQC reports; and
- Review of the homes Food Hygiene rating.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none.

We also evaluated the risk of fraud through management override including that arising from management's incentives. The key risk we identified was fraudulent financial reporting.

In response to the identified risk, as part of our audit work we:

- Used data analytics to test journal entries throughout the year and year end adjustments, for appropriateness; and
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. 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, collusion, omission or misrepresentation.

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

Cavendish Close Limited

Independent Auditor's Report to the Members of Cavendish Close 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 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.

.....
James Barrett (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor
North Quay House
Sutton Harbour
Plymouth
Devon
PL4 0RA

22 December 2022

Cavendish Close Limited

Profit and Loss Account

Year Ended 31 March 2022

| | Note | 2022 £ | 2021 £ |
|--|-----------|-----------------------|-----------------------|
| Turnover | <u>3</u> | 5,498,157 | 5,438,536 |
| Cost of sales | | <u>(3,911,214)</u> | <u>(3,958,093)</u> |
| Gross profit | | 1,586,943 | 1,480,443 |
| Administrative expenses | | (1,302,900) | (1,153,662) |
| Other operating income | <u>4</u> | <u>110,389</u> | <u>309,230</u> |
| Operating profit | <u>5</u> | 394,432 | 636,011 |
| Other interest receivable and similar income | <u>9</u> | 4,631 | 80 |
| Interest payable and similar charges | <u>10</u> | <u>(1,994)</u> | <u>(4,601)</u> |
| Profit before tax | | 397,069 | 631,490 |
| Taxation | <u>11</u> | <u>(115,124)</u> | <u>(142,053)</u> |
| Profit for the financial year | | <u><u>281,945</u></u> | <u><u>489,437</u></u> |

The above results were derived from continuing operations.

Cavendish Close Limited

Statement of Comprehensive Income

Year Ended 31 March 2022

| | 2022 £ | 2021 £ |
|---|-------------------------|-------------------------|
| Profit for the year | 281,945 | 489,437 |
| Deferred tax movement on previously revalued properties | <u>(307,762)</u> | <u>8,275</u> |
| Total comprehensive income for the year | <u><u>(25,817)</u></u> | <u><u>497,712</u></u> |

Cavendish Close Limited

Balance Sheet

31 March 2022

| | Note | 2022 £ | 2021 £ |
|--|-----------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | <u>12</u> | 16,024,780 | 16,040,053 |
| Current assets | | | |
| Stocks | <u>13</u> | 7,220 | 8,230 |
| Debtors | <u>14</u> | 642,014 | 441,744 |
| Cash at bank and in hand | | 1,403,030 | 1,190,907 |
| | | <u>2,052,264</u> | <u>1,640,881</u> |
| Creditors: Amounts falling due within one year | <u>15</u> | <u>(3,234,087)</u> | <u>(3,166,421)</u> |
| Net current liabilities | | <u>(1,181,823)</u> | <u>(1,525,540)</u> |
| Total assets less current liabilities | | 14,842,957 | 14,514,513 |
| Creditors: Amounts falling due after more than one year | <u>15</u> | <u>(3,750,000)</u> | <u>(3,750,000)</u> |
| Provisions for liabilities | <u>18</u> | <u>(1,424,613)</u> | <u>(1,070,352)</u> |
| Net assets | | <u>9,668,344</u> | <u>9,694,161</u> |
| Capital and reserves | | | |
| Called up share capital | <u>20</u> | 1,000 | 1,000 |
| Fair value reserve | | 8,233,585 | 8,584,900 |
| Profit and loss account | | <u>1,433,759</u> | <u>1,108,261</u> |
| Total equity | | <u>9,668,344</u> | <u>9,694,161</u> |

Approved and authorised by the Board on 21 December 2022 and signed on its behalf by:

.....
Mr G D Dhrona
Director

Company Registration Number: 02399435

Cavendish Close Limited

Statement of Changes in Equity

Year Ended 31 March 2022

| | Share capital £ | Fair value reserve £ | Profit and loss account £ | Total £ |
|----------------------------|--------------------|----------------------------|---------------------------------|------------|
| At 1 April 2021 | 1,000 | 8,584,900 | 1,108,261 | 9,694,161 |
| Profit for the year | - | - | 281,945 | 281,945 |
| Other comprehensive income | - | (307,762) | - | (307,762) |
| Total comprehensive income | - | (307,762) | 281,945 | (25,817) |
| Transfers | - | (43,553) | 43,553 | - |
| At 31 March 2022 | 1,000 | 8,233,585 | 1,433,759 | 9,668,344 |

| | Share capital £ | Fair value reserve £ | Profit and loss account £ | Total £ |
|----------------------------|--------------------|----------------------------|---------------------------------|------------|
| At 1 April 2020 | 1,000 | 8,620,178 | 575,271 | 9,196,449 |
| Profit for the year | - | - | 489,437 | 489,437 |
| Other comprehensive income | - | 8,275 | - | 8,275 |
| Total comprehensive income | - | 8,275 | 489,437 | 497,712 |
| Transfers | - | (43,553) | 43,553 | - |
| At 31 March 2021 | 1,000 | 8,584,900 | 1,108,261 | 9,694,161 |

Cavendish Close Limited

Notes to the Financial Statements

Year Ended 31 March 2022

1 General information

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

The address of its registered office is:

c/o Francis Clark LLP
North Quay House
Sutton Harbour
Plymouth
Devon
PL4 0RA

The principal place of business is:

Abingdon Road
Burcot
Abingdon
Oxfordshire
OX14 3DP

These financial statements were authorised for issue by the Board on 21 December 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. There are no material departures from FRS 102.

Basis of preparation

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

Summary of disclosure exemptions

FRS 102 grants a qualifying entity exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements as the company is deemed to be a qualifying entity.

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a Statement of Cash Flows and related notes on the basis that it is a qualifying entity and its ultimate parent company, Dhrona Holdings Limited, includes the company's cash flows in its own consolidated financial statements. The company is also taking exemption from disclosure of key management personnel compensation and exemption from disclosure of related party transactions entered into between the company and other wholly owned members of the Dhrona Holdings group.

Cavendish Close Limited

Notes to the Financial Statements

Year Ended 31 March 2022

Going concern

The main risk to the going concern of the company is the impact of the ongoing COVID-19 pandemic. The directors have considered the impact this has had on trade in the strategic report and concluded that the home remains a going concern.

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in this note, management is 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 underlying assumptions are based on historically known factors and experience. Therefore, management do not perceive there to be any critical areas of judgement or key sources of estimation uncertainty in the formulation of the financial statements.

Any estimates and underlying assumptions used by management such as depreciation rates are reviewed on an ongoing basis. Any revision deemed to be required to any accounting estimates would be 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.

No such changes or amendments are deemed necessary in either this or the prior period.

Revenue recognition

Turnover represents amounts chargeable in respect of the sale of goods and services to residents.

Government grants

Covid-19 support grants do not have any imposed specified future performance-related conditions on the company, and therefore are recognised when the grant proceeds are received or receivable.

Deferred tax

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

Depreciation

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

| Asset class | Depreciation method and rate |
|--------------------|-------------------------------------|
| Freehold Property | 1% straight line |
| Land | Not depreciated |

Cavendish Close Limited

Notes to the Financial Statements

Year Ended 31 March 2022

| | |
|-----------------------|----------------------|
| Plant and Machinery | 15% reducing balance |
| Fixtures and Fittings | 15% reducing balance |

Leases

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

Defined contribution pension obligation

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Bank loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

3 Turnover

The analysis of the company's Turnover for the year from continuing operations is as follows:

| | 2022 £ | 2021 £ |
|----------------------|------------------|------------------|
| Care home operations | 5,482,413 | 5,424,289 |
| Other revenue | 15,744 | 14,247 |
| | <u>5,498,157</u> | <u>5,438,536</u> |

Cavendish Close Limited

Notes to the Financial Statements

Year Ended 31 March 2022

The analysis of the company's turnover for the year by market is as follows:

| | 2022 £ | 2021 £ |
|----------------|-----------|-----------|
| United Kingdom | 5,498,157 | 5,438,536 |

4 Other operating income

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

| | 2022 £ | 2021 £ |
|-------------------|-----------|-----------|
| Government grants | 110,389 | 309,230 |

5 Operating profit

Arrived at after charging/(crediting)

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Depreciation expense | 267,362 | 249,677 |
| Operating lease expense - property | 66,924 | 79,964 |
| Operating lease expense - plant and machinery | 13,722 | 9,504 |

6 Staff costs

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

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Wages and salaries | 2,144,389 | 2,301,203 |
| Social security costs | 209,247 | 208,686 |
| Pension costs, defined contribution scheme | 42,143 | 43,289 |
| | 2,395,779 | 2,553,178 |

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

| | 2022 No. | 2021 No. |
|---------------------------------------|-------------|-------------|
| Management, office and administration | 8 | 6 |
| Care home operations | 85 | 98 |
| | 93 | 104 |

Cavendish Close Limited

Notes to the Financial Statements

Year Ended 31 March 2022

7 Directors' remuneration

The directors' remuneration for the year was as follows:

| | 2022 £ | 2021 £ |
|--|----------------|----------------|
| Remuneration | 227,661 | 226,105 |
| Contributions paid to money purchase schemes | 2,160 | 2,160 |
| | <u>229,821</u> | <u>228,265</u> |

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

| | 2022 No. | 2021 No. |
|---|-------------|-------------|
| Accruing benefits under money purchase pension scheme | <u>1</u> | <u>1</u> |

In respect of the highest paid director:

| | 2022 £ | 2021 £ |
|--------------|---------------|---------------|
| Remuneration | <u>85,036</u> | <u>84,914</u> |

8 Auditor's remuneration

| | 2022 £ | 2021 £ |
|-----------------------------------|--------------|--------------|
| Audit of the financial statements | <u>8,964</u> | <u>7,800</u> |

9 Other interest receivable and similar income

| | 2022 £ | 2021 £ |
|----------------------------------|--------------|-----------|
| Interest income on bank deposits | <u>4,631</u> | <u>80</u> |

10 Interest payable and similar expenses

| | 2022 £ | 2021 £ |
|---|--------------|--------------|
| Interest on bank overdrafts and borrowings | - | 4,601 |
| Interest expense on other finance liabilities | <u>1,994</u> | <u>-</u> |
| | <u>1,994</u> | <u>4,601</u> |

Cavendish Close Limited

Notes to the Financial Statements

Year Ended 31 March 2022

11 Taxation

Tax charged in the profit and loss account

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Current taxation | | |
| UK corporation tax | 68,625 | 142,241 |
| Deferred taxation | | |
| Arising from origination and reversal of timing differences | 46,499 | (188) |
| Tax expense in the income statement | 115,124 | 142,053 |

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Profit before tax | 397,069 | 631,490 |
| Corporation tax at standard rate | 75,443 | 119,983 |
| Effect of expense not deductible in determining taxable profit (tax loss) | 25,284 | 22,790 |
| UK deferred tax expense relating to changes in tax rates or laws | 25,870 | - |
| Decrease from effect of tax incentives | (10,178) | - |
| Tax decrease arising from group relief | (1,295) | (720) |
| Total tax charge | 115,124 | 142,053 |

Cavendish Close Limited

Notes to the Financial Statements

Year Ended 31 March 2022

Deferred tax

Deferred tax assets and liabilities

| | Liability £ |
|---|------------------------|
| 2022 | |
| Difference between accumulated depreciation and amortisation and capital allowances | 110,200 |
| Fair value reserve | 1,316,820 |
| Other timing difference | (2,407) |
| | <u>1,424,613</u> |
| | |
| | Liability £ |
| 2021 | |
| Difference between accumulated depreciation and amortisation and capital allowances | 62,922 |
| Fair value reserve | 1,009,058 |
| Other timing difference | (1,628) |
| | <u>1,070,352</u> |

Tax relating to items recognised in other comprehensive income or equity

| | 2022 £ | 2021 £ |
|---|-------------------|-------------------|
| Deferred tax related to items recognised as items of other comprehensive income | <u>1,316,820</u> | <u>1,009,058</u> |

Deferred tax has been measured using a long-term corporation rate of 25%, previously 19%, as this was the last rate substantively enacted before the year end. This has resulted a charge of £307,762 through the OCI in respect to previously revalued property.

Cavendish Close Limited

Notes to the Financial Statements

Year Ended 31 March 2022

12 Tangible assets

| | Freehold land and buildings £ | Plant and machinery £ | Fixtures and fittings £ | Total £ |
|--------------------------|-------------------------------------|-----------------------------|-------------------------------|------------|
| Cost or valuation | | | | |
| At 1 April 2021 | 16,827,898 | 1,293,674 | 2,578,499 | 20,700,071 |
| Additions | - | 77,436 | 174,653 | 252,089 |
| At 31 March 2022 | 16,827,898 | 1,371,110 | 2,753,152 | 20,952,160 |
| Depreciation | | | | |
| At 1 April 2021 | 1,548,249 | 1,041,818 | 2,069,951 | 4,660,018 |
| Charge for the year | 115,488 | 49,394 | 102,480 | 267,362 |
| At 31 March 2022 | 1,663,737 | 1,091,212 | 2,172,431 | 4,927,380 |
| Carrying amount | | | | |
| At 31 March 2022 | 15,164,161 | 279,898 | 580,721 | 16,024,780 |
| At 31 March 2021 | 15,279,649 | 251,856 | 508,548 | 16,040,053 |

13 Stocks

| | 2022 £ | 2021 £ |
|--------|-----------|-----------|
| Stocks | 7,220 | 8,230 |

14 Debtors

| | 2022 £ | 2021 £ |
|---------------------------------|-----------|-----------|
| Trade debtors | 110,992 | 205,679 |
| Amounts owed by related parties | 368,620 | 153,020 |
| Other debtors | 87,379 | 29,811 |
| Prepayments | 75,023 | 53,234 |
| | 642,014 | 441,744 |

Cavendish Close Limited

Notes to the Financial Statements

Year Ended 31 March 2022

15 Creditors

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Due within one year | | |
| Loans and borrowings | - | 4,576 |
| Payments on account | 331,121 | 315,043 |
| Trade creditors | 467,695 | 194,171 |
| Amounts due to group undertakings | 2,095,786 | 2,114,415 |
| Corporation tax | 68,626 | 142,241 |
| Social security and other taxes | 45,847 | 55,102 |
| Outstanding defined contribution pension costs | 15,005 | 14,786 |
| Other creditors | 70,472 | 141,176 |
| Accrued expenses and deferred income | 139,535 | 184,911 |
| | <u>3,234,087</u> | <u>3,166,421</u> |
| Due after one year | | |
| Amounts owed to parent company | <u>3,750,000</u> | <u>3,750,000</u> |

16 Loans and borrowings

| | 2022 £ | 2021 £ |
|-------------------------------------|-----------|--------------|
| Current loans and borrowings | | |
| Bank overdrafts | <u>-</u> | <u>4,576</u> |

Cavendish Close Limited

Notes to the Financial Statements

Year Ended 31 March 2022

17 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

| | 2022 £ | 2021 £ |
|---|---------------|---------------|
| Not later than one year | 13,076 | 13,575 |
| Later than one year and not later than five years | - | 5,073 |
| | <u>13,076</u> | <u>18,648</u> |

The amount of non-cancellable operating lease payments recognised as an expense during the year was £103,411 (2021 - £108,368).

18 Provisions for liabilities

| | Deferred tax £ |
|-----------------------|-------------------|
| At 1 April 2021 | 1,070,352 |
| Additional provisions | <u>354,261</u> |
| At 31 March 2022 | <u>1,424,613</u> |

19 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £42,143 (2021 - £43,289). Contributions totalling £15,005 (2021 - £14,786) were payable to the scheme at the end of the year and are included in creditors.

20 Share capital

Allotted, called up and fully paid shares

| | No. | 2022 £ | No. | 2021 £ |
|------------------------------|--------------|--------------|--------------|--------------|
| Ordinary A shares of £1 each | 610 | 610 | 610 | 610 |
| Ordinary B shares of £1 each | 390 | 390 | 390 | 390 |
| | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> |

Cavendish Close Limited

Notes to the Financial Statements

Year Ended 31 March 2022

21 Related party transactions

Transactions with directors

| | At 1 April 2021 £ | Repayments by director £ | At 31 March 2022 £ |
|---|-------------------------|--------------------------------|--------------------------|
| 2022 | | | |
| Mr G D Dhrona | | | |
| Interest free, unsecured and repayable on demand loan account | (21) | - | (21) |
| Mr S G Dhrona | | | |
| Interest free, unsecured and repayable on demand loan account | 15 | (2) | 13 |
| Mr V D Dhrona | | | |
| Interest free, unsecured and repayable on demand loan account | (2) | - | (2) |
| | | | |
| | | At 1 April 2020 £ | At 31 March 2021 £ |
| 2021 | | | |
| Mr G D Dhrona | | | |
| Interest free, unsecured and repayable on demand loan account | | (21) | (21) |
| Mr S G Dhrona | | | |
| Interest free, unsecured and repayable on demand loan account | | 15 | 15 |
| Mr V D Dhrona | | | |
| Interest free, unsecured and repayable on demand loan account | | (2) | (2) |

Expenditure with and payables to related parties

The company rents property from a number of related parties. One property is 100% owned by a director. Another property is 50% owned by a director and the remaining 50% is owned by a close family member of a director.

| | Key management £ | Other related parties £ |
|-------------|------------------------|-------------------------------|
| 2022 | | |
| Leases | 21,600 | 7,200 |

Cavendish Close Limited

Notes to the Financial Statements

Year Ended 31 March 2022

| | Key management | Other related parties |
|--------|-------------------|--------------------------|
| 2021 | £ | £ |
| Leases | 21,600 | 7,200 |

The company has taken advantage of the exemption in FRS 102 "Related Party Disclosures" from disclosing transactions with other wholly owned members of the group.

22 Parent and ultimate parent undertaking

The company's immediate parent is Woodley Hotels Limited, incorporated in England and Wales.

The ultimate parent is Dhrona Holdings Limited, incorporated in England and Wales.

The ultimate controlling party is The Bromfield Trust and The Hunters Grove Trust.

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