REGISTERED NUMBER: 02522031 (England and Wales)

ADL LEASED HOMES LTD

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

ADL LEASED HOMES LTD (REGISTERED NUMBER: 02522031)

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FOR THE YEAR ENDED 31 MARCH 2020

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COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2020

DIRECTORS:	Mrs P L Jackson W J Davies
SECRETARY:	W J Davies
REGISTERED OFFICE:	Woodlands of Woolley Residential Home Woolley Low Moor Lane Woolley Wakefield West Yorkshire WF4 2LN
REGISTERED NUMBER:	02522031 (England and Wales)
AUDITORS:	Cox Costello & Horne Chartered Accountants and Statutory Auditors 26 Main Avenue Moor Park HA6 2HJ

BALANCE SHEET
31 MARCH 2020

	Notes	31.3.20 £	£	31.3.19 £	£
FIXED ASSETS					
Tangible assets	4		**577,434**		617,331
CURRENT ASSETS					
Stocks		**3,000**		3,000	
Debtors	5	**416,162**		502,832	
Cash at bank and in hand		**155,345**		191,061	
		574,507		696,893	
CREDITORS					
Amounts falling due within one year	6	**121,125**		208,324	
NET CURRENT ASSETS			**453,382**		488,569
TOTAL ASSETS LESS CURRENT LIABILITIES			**1,030,816**		1,105,900
PROVISIONS FOR LIABILITIES			**117,115**		117,911
NET ASSETS			**913,701**		987,989
CAPITAL AND RESERVES					
Called up share capital			**51,000**		51,000
Revaluation reserve	7		**398,638**		474,268
Retained earnings			**464,063**		462,721
SHAREHOLDERS' FUNDS			**913,701**		987,989

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Profit & Loss account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2020 and were signed on its behalf by:

W J Davies - Director

The notes form part of these financial statements

1. STATUTORY INFORMATION

ADL Leased Homes Ltd 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 Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The financial statements have been prepared on the going concern basis which the directors consider to be appropriate for the following reasons.

The company meets its day to day working capital requirements from cash resources and intercompany balance with the parent company. Therefore the going concern assessment of the company is dependent on that of the group as a whole. The directors have performed a going concern assessment for a period of 12 months from the date of approval of these financial statements which indicate that, taking into account of reasonably possible downsides, the company will have sufficient funds through funding from its parent, ADL Plc. The parent has indicated its intention to continue to make available such funds as are needed by the company at the balance sheet date for 12 months from the date of approval of these financial statements. As with any company placing reliance on other group companies for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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 occupancy levels and cashflows.

Based on these indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

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.

Critical accounting judgements and key sources of estimation uncertainty
In the application of the company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying 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 that the most significant effect on the amounts recognised in the financial statements. It is deemed that there are no critical accounting judgements.

Valuation of leasehold property
The valuation method of leasehold 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 30 September 2019. 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.

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2. ACCOUNTING POLICIES - continued

Turnover
Turnover represents fee income receivable from care services provided. Turnover is recognised in the year in which the company obtains the right to consideration as the services provided under contracts have been delivered and is recorded art the value of the consideration due. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors.

Turnover wholly arises within the United Kingdom.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Short leasehold	- in accordance with the property
Improvements to property	- 10% on cost
Fixtures and fittings	- 25% on cost

Tangible fixed assets, are initially measured at historic cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring an asset into its intended working condition are included in the measurement of cost. The cost of properties is their purchases price together with the cost of improvement works.

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 leasehold 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.

Leasehold property is originally stated at deemed cost held at valuation at the date of transition to FRS 102. Leasehold 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.

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 for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Basic financial instruments
a) Debtors
Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

b) Creditors
Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

c) Cash at bank and in hand
Cash and cash equivalents comprise cash balances and call deposits and petty cash.

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2. **ACCOUNTING POLICIES - continued**

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit & Loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Pension costs
As of 1 April 2013 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 company will be required to re-enrol the employee. The company 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 company has no liability under the scheme other than for the payment of those contributions.

Contributions outstanding at the balance sheet date amounted to £3,955 (2019 - £1,995).

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 56 (2019 - 63) .

4. **TANGIBLE FIXED ASSETS**

	Short leasehold £	Improvements to property £	Fixtures and fittings £	Totals £
COST OR VALUATION				
At 1 April 2019 and 31 March 2020	**600,000**	**79,600**	**209,778**	**889,378**
DEPRECIATION				
At 1 April 2019	**59,960**	**19,900**	**192,187**	**272,047**
Charge for year	**11,990**	**19,900**	**8,007**	**39,897**
At 31 March 2020	**71,950**	**39,800**	**200,194**	**311,944**
NET BOOK VALUE				
At 31 March 2020	**528,050**	**39,800**	**9,584**	**577,434**
At 31 March 2019	540,040	59,700	17,591	617,331

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4. **TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 31 March 2020 is represented by:

	Short leasehold	Improvements to property	Fixtures and fittings	Totals
	£	£	£	£
Valuation in 2017	31,500	-	-	31,500
Cost	568,500	79,600	209,778	857,878
	600,000	79,600	209,778	889,378

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

	31.3.20	31.3.19
	£	£
Cost	23,484	23,484
Aggregate depreciation	2,816	2,347

Leasehold buildings were valued on without re-inspection basis on 30 September 2019 by Martin Robb BSc FRICS of Cushwake

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At the reporting date, the directors consider that the carrying value of leasehold property to be in line with open market expectations.

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.20	31.3.19
	£	£
Trade debtors	68,484	63,979
Amounts owed by group undertaking	328,701	390,667
Amounts owed by participating interests	-	7,052
Other debtors	18,977	41,134
	416,162	502,832

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.20	31.3.19
	£	£
Trade creditors	49,395	17,121
Amounts owed to participating interests	-	127,679
Taxation and social security	7,904	1,885
Other creditors	63,826	61,639
	121,125	208,324

7. **RESERVES**

	Revaluation reserve
	£
At 1 April 2019	474,268
Deferred tax	(6,506)
Depreciation of leasehold property	(69,124)
At 31 March 2020	398,638

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8. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Auditors' Report was unqualified.

Michael F Cox BSC FCA (Senior Statutory Auditor)
for and on behalf of Cox Costello & Horne

9. CONTINGENT LIABILITIES

The group's bank loans, as held by ADL plc, are secured by legal mortgages, and fixed and floating charges over the group's assets, being the group's properties, book debts, plant and machinery and other assets and the business undertakings. The company has guaranteed these borrowings. The extent of the group's liability at 31 March 2020 was £7,172,569 (2019: £7,918,645). The directors consider it to be highly unlikely that any liability will crystallise for the company as as a result of this guarantee.

10. RELATED PARTY DISCLOSURES

The company has previously entered into a partnership agreement with North Lincolnshire Council (Council) to run the care homes of The Willows, Warley House and Cherry Tree. During the reporting period, the company generated the Council earnings of £120,000 (2019: £120,000). At the reporting date, the company owed the Council £nil (2019: £84,851).

11. POST BALANCE SHEET EVENTS

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 business and the extent to which the company may benefit financially from support from central and local government. As such, there is a wide range of potential outcomes for the company's cash flows from the impact from Covid-19. The directors have considered the company's current key performance indicators to identify and quantify the potential impact of Covid-19 on the company's cash flows, although the actual impact could be materially different.

12. ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking and controlling party is ADL plc (a public limited company incorporated in England and Wales). ADL plc is both the smallest and largest group the consolidated financial statements are drawn up. The registered office address of ADL plc is c/o Woodlands Of Woolley Residential Home, Woolley, Low Moor Lane, Woolley, Wakefield, England, WF4 2LN. Copies of ADL plc financial statements to 31 March 2020 may be obtained from the registered office address.

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

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.