

**GRAHAM CARE (YB) LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**TWP ACCOUNTING LLP**  
Chartered Accountants & Statutory Auditors  
The Old Rectory  
Church Street  
Weybridge  
Surrey  
KT13 8DE

THURSDAY



\*AB9P3MVS\*

A05

04/08/2022

#204

COMPANIES HOUSE

**GRAHAM CARE (YB) LIMITED**

**COMPANY INFORMATION**

|                            |  |
|----------------------------|--|
| <b>Directors</b>           | Dr K E Graham<br>W E Graham  |
| <b>Company secretary</b>   | W E Graham   |
| <b>Registered number</b>   | 03109969   |
| <b>Registered office</b>   | 20 Cranley Road<br>Hersham<br>Walton-on-Thames<br>Surrey<br>KT12 5BP   |
| <b>Independent auditor</b> | TWP Accounting LLP<br>Chartered Accountants & Statutory Auditors<br>Church Street<br>Weybridge<br>Surrey<br>KT13 8DE |

## **GRAHAM CARE (YB) LIMITED**

### **CONTENTS**

|   | <b>Page</b>    |
|---|----------------|
| <b>Group Strategic Report</b>                         | <b>1 - 3</b>   |
| <b>Directors' Report</b>                              | <b>4 - 5</b>   |
| <b>Independent Auditor's Report</b>                   | <b>6 - 9</b>   |
| <b>Consolidated Statement of Comprehensive Income</b> | <b>10</b>      |
| <b>Consolidated Balance Sheet</b>                     | <b>11</b>      |
| <b>Company Balance Sheet</b>                          | <b>12</b>      |
| <b>Consolidated Statement of Changes in Equity</b>    | <b>13</b>      |
| <b>Company Statement of Changes in Equity</b>         | <b>14</b>      |
| <b>Consolidated Analysis of Net Debt</b>              | <b>15</b>      |
| <b>Notes to the Financial Statements</b>              | <b>16 - 32</b> |

## GRAHAM CARE (YB) LIMITED

### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

We aim to present a balanced and comprehensive review of the development and performance of our business during the period and its position at the period end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

We develop and operate high quality homes for people with high dependency long term care needs, ranging from older people with dementia to younger people with severe disabilities.

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the group, these being:

#### Key Performance Indicators

|          | 2021        | As restated<br>2020 |
|----------|-------------|---------------------|
| Turnover | £27,874,189 | £26,302,044         |
| EBITDAR  | £8,318,980  | £8,556,863          |

During 2021, our subsidiary Hawkinge House Limited expanded its contract with the NHS to provide short-term assessment places for patients being discharged from acute hospitals. This was expanded to 51 places by the end of the year.

Turnover has increased when compared to the previous year. This is largely due to the increase in average occupancy levels along with annual incremental increases on fees. EBITDAR has been maintained largely by an increased effort to maintain costs during the COVID-19 pandemic. The expansion of the NHS contract discussed above has had a strong and positive impact on both the Turnover and EBITDAR this year. During the year, three of our care homes experienced an outbreak of COVID-19 amongst its residents. The outbreak temporarily reduced the occupancy of the care homes. The care homes have since been able to restore to normal occupancy levels, and the occupancy continues to increase on an upward trajectory. This was aided by the second round of COVID-19 vaccinations at the care homes.

The care home subsidiaries in our group consistently strives to maintain high quality standards. Following considerable financial and time investment the Care Quality Commission (CQC) have inspected the various care homes in our group and achieved either an overall good or requires improvement rating. The Directors continue to take immediate measured steps to address and deal with any matters requiring improvement including and not limited to the agreement of specific action plans with the CQC.

Uncertainty remains around the fallout of Brexit. The possible risks to the company, yet unquantifiable, are increased costs in sales, possible increase in the Bank of England base rate, and fewer European staff wishing to work in the UK, thereby reducing the potential recruitment pool, although we have mitigated this risk by expanding our recruitment horizon to other parts of the world.

The current COVID-19 pandemic has been a hot topic in the care home industry. The safety of our staff and residents is of upmost importance and priority to us. We have invested in placing stringent and cautious health and safety measures in line with the government's guidance to limit the exposure of the COVID-19.

## GRAHAM CARE (YB) LIMITED

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

At the end of 2021, we owned and operated six homes in Surrey and Kent for 558 residents:

|                                      | Number of<br>Resident<br>Places |
|--------------------------------------|---------------------------------|
| Hazeldene House, Tunbridge Wells     | 80                              |
| Hawkinge House, Folkestone           | 184                             |
| Hawkhurst House, near Cranbrook      | 93                              |
| Woodchurch House, near Ashford, Kent | 78                              |
| Harpwood Care Home, near Sevenoaks   | 44                              |
| Rodwell House, Addlestone            | 79                              |

Our main distinguishing features are considered to be:

#### 1. Care Suites

Our new developments are based around the "care suite" model, which provides 20-27m<sup>2</sup> for each resident (vs. 15m-18m<sup>2</sup> in a purpose build care home) so that they can consider the suite to be their home rather than their bed-room. Residents occupy these suites under Tenancy Agreements and we provide their care through a domiciliary arrangement. Under this regime, residents who are eligible for government funding can receive a wider range of benefits (e.g. attendance allowance, housing benefit, etc.) which compensate for the additional build cost of the extra floor area.

#### 2. Relationship Centred Care TM

We have adopted Relationship Centred Care™ as our principal approach to care provision, with the aim of building stronger relationships between residents, staff, relatives, friends, etc. This takes the well-established concept of Person Centred Care one step further with the recognition that to enable residents to be happy and fulfilled; we need to get to know them better and to understand their past and present relationships with others.

#### 3. Servant leadership

Servant Leadership is based on the desire to serve others. The servant-leader essentially acts as servant, rather than as a master. "Service" in this context is not to be confused with "servitude." Servitude implies being in a one down position to another person and giving from a place of "need to" or "have to." True service, by contrast, stems from a desire to give from the heart. It is freely shared without first seeking something in return. The sheer joy of giving is the reward gained from this level of service.

Most organisations today still lead by a Command & Control style of leadership. Servant Leadership is a more consensual form of leadership that recognises the value of people to fulfil the organisation's mission. It is about engaging everyone involved and using their talents to the full.

Against this background, we feel that the company is well positioned to continue its investment in new facilities and to reinforce its position as a leading provider of long term care in each of the areas in which it operates.

**GRAHAM CARE (YB) LIMITED**

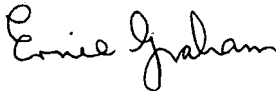
**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Directors' Statement of Compliance**

The directors of Graham Care (YB) Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company and the Group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in section 172(1)(af) of the Companies Act 2006) in the decisions taken during the year ended 31 December 2021.

This report was approved by the board on 28 Jun 2022

and signed on its behalf.



Ernie Graham (Jun 28, 2022, 7:17pm)

**W E Graham**  
Director

## **GRAHAM CARE (YB) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

#### **Principal activity**

The principal activity of the group was the provision of accommodation and care for people with ongoing personal nursing care needs.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £5,324,738 (2020 - £6,812,604).

The directors do not recommend the paying of a dividend.

#### **Directors**

The directors who served during the year were:

Dr K E Graham  
W E Graham

#### **Principal risks and uncertainties**

The company's future trading success remains dependent upon the overall state of the economy. At the date of signing the report, the worldwide economy faces much uncertainty with the outbreak of the Coronavirus (COVID-19), which the World Health Organisation has described as a pandemic. The final outcome of the pandemic is unknown, and its future financial implications on the worldwide trading situation cannot be determined at the balance sheet date. The company has adequate resources to continue and adopt the going concern basis in preparing the annual report and financial statements.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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.

## GRAHAM CARE (YB) LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

#### Employee involvement

The group operates a framework for employee information and consultation, which complies with the requirements of the Information and Consultation of Employees Regulations 2004. During the year, the policy of providing employees with information about the group has continued by holding regular meetings between local management and employees. These meetings allow a free flow of information and ideas.

#### Engagement with suppliers, customers and others

We aim to treat our supply chains fairly and transparently and to work together to deliver high quality care to our residents. Our industry needs are changing, becoming more complex and requiring increasing levels of investment in technology. It is critically important that we listen closely to our customers, be easy to work with and deliver industry leading care. The Company continues to engage directly with its suppliers and customers.

#### Disabled employees

The group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

#### Greenhouse gas emissions, energy consumption and energy efficiency action

The group consists of medium sized subsidiaries and the company's energy consumption is below 40,000 kWh per annum. The company and group are exempt from providing the disclosures set out in the Streamlined Energy and Carbon Reporting (SECR) requirements.

#### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

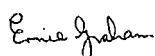
#### Post balance sheet events

There have been no significant events affecting the company since the balance sheet date, with the exception of the COVID-19 pandemic described under the Principal risks and uncertainties noted above.

#### Auditor

The auditor, TWP Accounting LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 Jun 2022 and signed on its behalf.



Ernie Graham (Jun 28, 2022, 7:17pm)

.....  
**W E Graham**  
Director



## **GRAHAM CARE (YB) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAHAM CARE (YB) LIMITED**

#### **Opinion**

We have audited the financial statements of Graham Care (YB) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Statement of Changes in Equity and the related notes, 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's affairs as at 31 December 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 Auditor's 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 United Kingdom, including the Financial Reporting Council'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 or 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 other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **GRAHAM CARE (YB) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAHAM CARE (YB) LIMITED (CONTINUED)**

#### **Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the 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 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 Directors' Report.

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

- adequate accounting records have not been kept 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.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement 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 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.

## **GRAHAM CARE (YB) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAHAM CARE (YB) LIMITED (CONTINUED)**

#### **Auditor's responsibilities for the audit of the financial statements**

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

- Obtain an understanding of the policies and procedures management have in place to detect and prevent fraud and non-compliance with laws and regulations.
- Enquire of management any cases of actual or suspected fraud and non-compliance with laws and regulations.
- Enquire of management and those charged with governance around actual and potential litigation and claims.
- Enquire of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Assess the key risk areas within the financial statements which are susceptible to fraud or error and design our audit approach thereon.
- Perform substantive tests on a sample of transactions throughout the financial statements to ensure that no material errors have been identified.
- Perform cut off tests on a sample of transactions to ensure income has been accounted for in the correct period.
- Review of after year end information to ensure expenditure have been accounted for in the correct period.
- Perform analytical review procedures to identify any irregularities and investigation thereon.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

**GRAHAM CARE (YB) LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAHAM CARE (YB) LIMITED  
(CONTINUED)**

**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.

*Philip Munk*

---

Phil Munk (Jun 29, 2022, 10:47am)

Philip Munk FCA, FCCA (Senior Statutory Auditor)

for and on behalf of

**TWP Accounting LLP**

Chartered Accountants

Statutory Auditors

Church Street

Weybridge

Surrey

KT13 8DE

Date: 29 Jun 2022

**GRAHAM CARE (YB) LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

|  | Note | 2021<br>£               | As restated<br>2020<br>£ |
|--|------|-------------------------|--------------------------|
| Turnover   | 3    | 27,874,189              | 26,302,044               |
| Cost of sales  |      | (20,504,026)            | (18,342,422)             |
| <b>Gross profit</b>  |      | <u>7,370,163</u>        | <u>7,959,622</u>         |
| Administrative expenses                                    |      | (1,076,805)             | (655,392)                |
| Other operating income                                     | 4    | 1,129,789               | 776,786                  |
| <b>Operating profit</b>                                    |      | <u>7,423,147</u>        | <u>8,081,016</u>         |
| Loss on disposal of investment in subsidiaries             |      | -                       | (100)                    |
| Interest receivable and similar income                     | 7    | 80,360                  | 116                      |
| Interest payable and expenses                              | 8    | (959,048)               | (998,175)                |
| Fair value movements                                       |      | 127,000                 | 1,275,822                |
| <b>Profit before taxation</b>                              |      | <u>6,671,459</u>        | <u>8,358,679</u>         |
| Tax on profit  | 10   | (1,346,721)             | (1,546,075)              |
| <b>Profit for the financial year</b>                       |      | <u><u>5,324,738</u></u> | <u><u>6,812,604</u></u>  |
|  |      |                         |                          |
| Unrealised surplus on revaluation of tangible fixed assets |      | 6,740,261               | 6,436,026                |
| Deferred tax on revaluation of freehold properties         |      | (4,343,302)             | (1,222,845)              |
| <b>Other comprehensive income for the year</b>             |      | <u>2,396,959</u>        | <u>5,213,181</u>         |
| <b>Total comprehensive income for the year</b>             |      | <u><u>7,721,697</u></u> | <u><u>12,025,785</u></u> |
| <b>Profit for the year attributable to:</b>                |      |                         |                          |
| Owners of the parent Company                               |      | 5,324,738               | 6,812,604                |
|  |      | <u><u>5,324,738</u></u> | <u><u>6,812,604</u></u>  |

The notes on pages 16 to 32 form part of these financial statements.

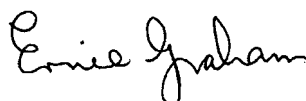
**GRAHAM CARE (YB) LIMITED**  
**REGISTERED NUMBER: 03109969**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

|   | Note | 2021<br>£           | As restated<br>2020<br>£ |
|---|------|---------------------|--------------------------|
| <b>Fixed assets</b>                                     |      |                     |                          |
| Tangible assets   | 12   | 119,583,129         | 112,238,680              |
|   |      | <u>119,583,129</u>  | <u>112,238,680</u>       |
| <b>Current assets</b>                                   |      |                     |                          |
| Stocks  | 14   | 18,822              | 51,665                   |
| Debtors: amounts falling due after more than one year   | 15   | 88,423              | -                        |
| Debtors: amounts falling due within one year            | 15   | 58,062,788          | 50,723,635               |
| Cash at bank and in hand                                | 16   | 6,698,277           | 5,716,373                |
|   |      | <u>64,868,310</u>   | <u>56,491,673</u>        |
| Creditors: amounts falling due within one year          | 17   | (33,741,898)        | (62,982,895)             |
| <b>Net current assets/(liabilities)</b>                 |      | <u>31,126,412</u>   | <u>(6,491,222)</u>       |
| <b>Total assets less current liabilities</b>            |      | <u>150,709,541</u>  | <u>105,747,458</u>       |
| Creditors: amounts falling due after more than one year | 18   | (36,118,041)        | (3,540,892)              |
| <b>Provisions for liabilities</b>                       |      |                     |                          |
| Deferred taxation                                       | 20   | (14,113,335)        | (9,450,098)              |
|   |      | <u>(14,113,335)</u> | <u>(9,450,098)</u>       |
| <b>Net assets</b>                                       |      | <u>100,478,165</u>  | <u>92,756,468</u>        |
| <b>Capital and reserves</b>                             |      |                     |                          |
| Called up share capital                                 | 21   | 4,000               | 4,000                    |
| Revaluation reserve                                     | 22   | 40,303,291          | 37,906,332               |
| Profit and loss account                                 | 22   | 60,170,874          | 54,846,136               |
|   |      | <u>100,478,165</u>  | <u>92,756,468</u>        |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

28 Jun 2022



Ernie Graham (Jun 28, 2022, 7:17pm)

**W E Graham**  
Director

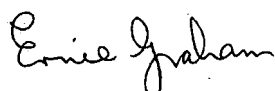
The notes on pages 16 to 32 form part of these financial statements.

**GRAHAM CARE (YB) LIMITED**  
**REGISTERED NUMBER: 03109969**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

|   | Note | 2021<br>£         | As restated<br>2020<br>£ |
|---|------|-------------------|--------------------------|
| <b>Fixed assets</b>                                     |      |                   |                          |
| Tangible assets   | 12   | 1,256,171         | 19,130,762               |
| Investments   | 13   | 5,100             | 5,100                    |
|   |      | <u>1,261,271</u>  | <u>19,135,862</u>        |
| <b>Current assets</b>                                   |      |                   |                          |
| Debtors: amounts falling due after more than one year   | 15   | 88,423            | -                        |
| Debtors: amounts falling due within one year            | 15   | 93,370,869        | 76,652,099               |
| Cash at bank and in hand                                | 16   | 5,066,191         | 3,977,438                |
|   |      | <u>98,525,483</u> | <u>80,629,537</u>        |
| Creditors: amounts falling due within one year          | 17   | (11,322,927)      | (43,628,004)             |
| <b>Net current assets</b>                               |      | <u>87,202,556</u> | <u>37,001,533</u>        |
| <b>Total assets less current liabilities</b>            |      | <u>88,463,827</u> | <u>56,137,395</u>        |
| Creditors: amounts falling due after more than one year | 18   | (32,400,000)      | -                        |
| <b>Provisions for liabilities</b>                       |      |                   |                          |
| Deferred taxation                                       | 20   | (296,432)         | (1,128,583)              |
|   |      | <u>(296,432)</u>  | <u>(1,128,583)</u>       |
| <b>Net assets</b>                                       |      | <u>55,767,395</u> | <u>55,008,812</u>        |
| <b>Capital and reserves</b>                             |      |                   |                          |
| Called up share capital                                 | 21   | 4,000             | 4,000                    |
| Profit and loss account                                 | 22   | 55,763,395        | 55,004,812               |
|   |      | <u>55,767,395</u> | <u>55,008,812</u>        |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
28 Jun 2022



Ernie Graham (Jun 28, 2022, 7:17pm)

**W E Graham**  
Director

The notes on pages 16 to 32 form part of these financial statements.

**GRAHAM CARE (YB) LIMITED**

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

|   | Called up<br>share capital<br>£ | Revaluation<br>reserve<br>£ | Profit and loss<br>account<br>£ | Total equity<br>£         |
|---|---------------------------------|-----------------------------|---------------------------------|---------------------------|
| <b>At 1 January 2020</b>                                | 4,000                           | 32,693,151                  | 48,906,776                      | 81,603,927                |
| <b>Comprehensive income for the year</b>                |                                 |                             |                                 |                           |
| Profit for the year                                     | -                               | -                           | 6,812,604                       | 6,812,604                 |
| Surplus/(Deficit) on revaluation of freehold properties | -                               | 6,436,026                   | -                               | 6,436,026                 |
| Deferred tax on revaluation of freehold properties      | -                               | (1,222,845)                 | -                               | (1,222,845)               |
| Dividends: Equity capital                               | -                               | -                           | (873,244)                       | (873,244)                 |
| <b>At 1 January 2021</b>                                | <u>4,000</u>                    | <u>37,906,332</u>           | <u>54,846,136</u>               | <u>92,756,468</u>         |
| <b>Comprehensive income for the year</b>                |                                 |                             |                                 |                           |
| Profit for the year                                     | -                               | -                           | 5,324,738                       | 5,324,738                 |
| Surplus/(Deficit) on revaluation of freehold properties | -                               | 6,740,261                   | -                               | 6,740,261                 |
| Deferred tax on revaluation of freehold properties      | -                               | (4,343,302)                 | -                               | (4,343,302)               |
| <b>At 31 December 2021</b>                              | <u><u>4,000</u></u>             | <u><u>40,303,291</u></u>    | <u><u>60,170,874</u></u>        | <u><u>100,478,165</u></u> |

The notes on pages 16 to 32 form part of these financial statements.



**GRAHAM CARE (YB) LIMITED**

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

|                            | Called up<br>share capital<br>£ | Profit and loss<br>account<br>£ | Total equity<br>£        |
|----------------------------|---------------------------------|---------------------------------|--------------------------|
| <b>At 1 January 2020</b>   | 4,000                           | 49,248,050                      | 49,252,050               |
| Profit for the year        | -                               | 5,756,762                       | 5,756,762                |
| <b>At 1 January 2021</b>   | <u>4,000</u>                    | <u>55,004,812</u>               | <u>55,008,812</u>        |
| Profit for the year        | -                               | 5,336,049                       | 5,336,049                |
| Deferred tax movements     | -                               | 958,113                         | 958,113                  |
| Fair value adjustments     | -                               | (5,535,579)                     | (5,535,579)              |
| <b>At 31 December 2021</b> | <u><u>4,000</u></u>             | <u><u>55,763,395</u></u>        | <u><u>55,767,395</u></u> |

The notes on pages 16 to 32 form part of these financial statements.

**GRAHAM CARE (YB) LIMITED**

**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

|                          | At 1 January<br>2021<br>£ | Cash flows<br>£  | New finance<br>£   | At 31<br>December<br>2021<br>£ |
|--------------------------|---------------------------|------------------|--------------------|--------------------------------|
| Cash at bank and in hand | 5,716,373                 | 981,904          | -                  | 6,698,277                      |
| Debt due after 1 year    | -                         | 1,800,000        | (34,200,000)       | (32,400,000)                   |
| Debt due within 1 year   | (34,000,000)              | -                | 30,438,239         | (3,561,761)                    |
|                          | <u>(28,283,627)</u>       | <u>2,781,904</u> | <u>(3,761,761)</u> | <u>(29,263,484)</u>            |

The notes on pages 16 to 32 form part of these financial statements.

## **GRAHAM CARE (YB) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **1. General information**

Graham Care (YB) Limited is incorporated in England and Wales and limited by shares. The address of the registered office is given in the company information of these financial statements. The principal activity of the company is the provision of retirement accommodation and related nursing services.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

##### **2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

##### **2.3 Turnover**

Turnover comprises revenue recognised by the Group in respect of nursing and residential care services during the year, exclusive of Value Added Tax and trade discounts.

Income is recognised based on occupancy and adjustment is made for any amounts received in advance or arrears.

## GRAHAM CARE (YB) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 2. Accounting policies (continued)

##### 2.4 Going concern

The group is regulated by the Care Quality Commission ("CQC") as a housing with care scheme and registered nursing home.

CQC visited Rodwell home in October 2021 and have required it to implement an action plan to address a number of areas. This plan is being implemented and the Directors are confident that the prospects for business's ability to trade remain strong. Accordingly, the directors have prepared the accounts on the going concern basis.

The Group and the company's future trading success remains dependent upon the overall state of the economy. At the date of signing the report, the worldwide economy faces much uncertainty with the outbreak of the Coronavirus (COVID-19), which the World Health Organisation has described as a pandemic. The final outcome of the pandemic is unknown, and its future financial implications on the worldwide trading situation cannot be determined at the balance sheet date.

However the Directors are confident that the Group and the company has adequate financial resources to continue and adopt the going concern basis in preparing the annual report and financial statements.

##### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

|                |   |
|----------------|---|
| Equipment      | - Items under £500 - 50% straight line<br>Items above £500 - 15% reducing balance |
| Motor vehicles | - 25% reducing balance  |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

## **GRAHAM CARE (YB) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **2. Accounting policies (continued)**

##### **2.6 Revaluation of tangible fixed assets**

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

The freehold properties used by its subsidiaries are recognised in the company as investment properties and any associated gains and losses and deferred taxation thereon are recognised in the profit and loss reserve.

The freehold properties used by its subsidiaries are recognised in the group as tangible fixed assets and any associated gains and losses and deferred taxation thereon are recognised in the revaluation reserve.

##### **2.7 Investment property**

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

##### **2.8 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **2.9 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

##### **2.10 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.

##### **2.11 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

## **GRAHAM CARE (YB) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **2. Accounting policies (continued)**

##### **2.12 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

##### **2.13 Creditors**

Short-term 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.

##### **2.14 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

##### **2.15 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.16 Pensions**

When employees have rendered service to the company and group, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company and group operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

##### **2.17 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

##### **2.18 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

## GRAHAM CARE (YB) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 2. Accounting policies (continued)

##### 2.19 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### 3. Turnover

The whole of the turnover is attributable to the provision of residential care services.

All turnover arose within the United Kingdom.

#### 4. Other operating income

|                              | 2021<br>£        | As restated<br>2020<br>£ |
|------------------------------|------------------|--------------------------|
| Government grants receivable | 1,129,789        | 776,786                  |
|                              | <u>1,129,789</u> | <u>776,786</u>           |

The company receives grants from the Adult Social Care Infection Control Fund. The local authority provides support to adult social care providers to reduce the rate of coronavirus (COVID-19) transmission within and between care settings, in particular by helping to reduce the need for staff movements between sites.

**GRAHAM CARE (YB) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**5. Auditor's remuneration**

|                        | 2021<br>£ | As restated<br>2020<br>£ |
|------------------------|-----------|--------------------------|
| Auditor's remuneration | 59,160    | 54,048                   |

**6. Employees**

Staff costs were as follows:

|                                     | Group<br>2021<br>£ | Group<br>2020<br>£ | Company<br>2021<br>£ | Company<br>2020<br>£ |
|-------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Wages and salaries                  | 13,659,680         | 11,944,575         | -                    | -                    |
| Social security costs               | 1,196,072          | 1,023,151          | -                    | -                    |
| Cost of defined contribution scheme | 237,772            | 221,885            | -                    | -                    |
|                                     | <u>15,093,524</u>  | <u>13,189,611</u>  | <u>-</u>             | <u>-</u>             |

The average monthly number of employees, excluding the directors not paid through the group, during the year was as follows:

|                 | Group<br>2021<br>No. | Group<br>As restated<br>2020<br>No. | Company<br>2021<br>No. | Company<br>As restated<br>2020<br>No. |
|-----------------|----------------------|-------------------------------------|------------------------|---------------------------------------|
| Admin staff     | 25                   | 16                                  | 25                     | 16                                    |
| Care home staff | 568                  | 525                                 | -                      | -                                     |
|                 | <u>593</u>           | <u>541</u>                          | <u>25</u>              | <u>16</u>                             |

The company is acting as agent for group admin staff costs. The centralised admin salaries are for the whole group, and as such these costs are reallocated to the respective group companies.

**7. Interest receivable**

|                           | 2021<br>£     | As restated<br>2020<br>£ |
|---------------------------|---------------|--------------------------|
| Other interest receivable | 80,360        | 116                      |
|                           | <u>80,360</u> | <u>116</u>               |



**GRAHAM CARE (YB) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**8. Interest payable and similar expenses**

|                               | 2021<br>£      | As restated<br>2020<br>£ |
|-------------------------------|----------------|--------------------------|
| Bank interest payable         | 782,465        | 829,994                  |
| Loans from group undertakings | 176,583        | 168,181                  |
|                               | <u>959,048</u> | <u>998,175</u>           |

**9. Fair value movements**

|   | 2021<br>£      | 2020<br>£        |
|---|----------------|------------------|
| Surplus/(Deficit) on revaluation of investment properties | 127,000        | 1,275,822        |
|   | <u>127,000</u> | <u>1,275,822</u> |

**10. Taxation**

|   | 2021<br>£        | As restated<br>2020<br>£ |
|---|------------------|--------------------------|
| <b>Corporation tax</b>                                    |                  |                          |
| Current tax on profits for the year                       | 1,023,677        | 1,130,047                |
| Adjustments in respect of previous periods                | 3,109            | (72,086)                 |
| <b>Total current tax</b>                                  | <u>1,026,786</u> | <u>1,057,961</u>         |
| <b>Deferred tax</b>                                       |                  |                          |
| Origination and reversal of timing differences            | 259,537          | 245,708                  |
| Deferred taxation on revaluation of investment properties | 60,398           | 242,406                  |
| <b>Total deferred tax</b>                                 | <u>319,935</u>   | <u>488,114</u>           |
| <b>Taxation on profit on ordinary activities</b>          | <u>1,346,721</u> | <u>1,546,075</u>         |

**GRAHAM CARE (YB) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**10. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

|  | 2021<br>£        | As restated<br>2020<br>£ |
|--|------------------|--------------------------|
| Profit on ordinary activities before tax   | 6,671,459        | 8,358,679                |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%) | 1,267,577        | 1,588,149                |
| <b>Effects of:</b>   |                  |                          |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment                  | 2,770            | 3,108                    |
| Capital allowances for year in excess of depreciation  | (277,164)        | (254,633)                |
| Adjustments to tax charge in respect of prior periods  | 3,109            | (72,086)                 |
| Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax                   | (1)              | (3,453)                  |
| Short term timing difference leading to an increase (decrease) in taxation                                 | 259,537          | 245,708                  |
| Deferred taxation on revaluation of investment properties  | 60,398           | 242,406                  |
| Book profit on disposal  | 15,242           | 12,205                   |
| Fair value movements   | (24,130)         | (242,406)                |
| Group relief   | 39,383           | 27,077                   |
| <b>Total tax charge for the year</b>   | <b>1,346,721</b> | <b>1,546,075</b>         |

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**11. Parent company profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £5,336,049 (2020 - £5,756,762).

**GRAHAM CARE (YB) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**12. Tangible fixed assets**

**Group**

|                                     | Freehold<br>property<br>£ | Equipment<br>£ | Motor vehicles<br>£ | Total<br>£  |
|-------------------------------------|---------------------------|----------------|---------------------|-------------|
| <b>Cost or valuation</b>            |                           |                |                     |             |
| At 1 January 2021                   | 110,463,000               | 3,187,360      | 7,400               | 113,657,760 |
| Additions                           | 202,266                   | 764,732        | -                   | 966,998     |
| Disposals                           | -                         | (283,424)      | -                   | (283,424)   |
| Revaluations                        | 6,867,261                 | -              | -                   | 6,867,261   |
| At 31 December 2021                 | 117,532,527               | 3,668,668      | 7,400               | 121,208,595 |
| <b>Depreciation</b>                 |                           |                |                     |             |
| At 1 January 2021                   | -                         | 1,411,680      | 7,400               | 1,419,080   |
| Charge for the year on owned assets | -                         | 405,038        | -                   | 405,038     |
| Disposals                           | -                         | (198,652)      | -                   | (198,652)   |
| At 31 December 2021                 | -                         | 1,618,066      | 7,400               | 1,625,466   |
| <b>Net book value</b>               |                           |                |                     |             |
| At 31 December 2021                 | 117,532,527               | 2,050,602      | -                   | 119,583,129 |
| At 31 December 2020                 | 110,463,000               | 1,775,680      | -                   | 112,238,680 |

The accumulated historical cost and revaluation for freehold properties are £59,226,151 and £58,306,376 respectively, amounting to a revalued cost of £117,532,527.

The commercial land and buildings were revalued as at 31 December 2021 by Henry Harris MRICS of Cushman & Wakefield using a multiple of Fair Maintainable EBITDAR.

The residential land and buildings were valued as at 31 December 2021 by the directors on an open market value for existing use basis.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

|                          | 2021<br>£   | As restated<br>2020<br>£ |
|--------------------------|-------------|--------------------------|
| <b>Group</b>             |             |                          |
| Cost                     | 59,226,151  | 59,023,886               |
| Accumulated depreciation | (6,066,160) | (5,397,884)              |
| <b>Net book value</b>    | 53,159,991  | 53,626,002               |

**GRAHAM CARE (YB) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**12. Tangible fixed assets (continued)**

**Company**

|                                     | Investment<br>property<br>£ | Plant and<br>machinery<br>£ | Total<br>£   |
|-------------------------------------|-----------------------------|-----------------------------|--------------|
| <b>Cost or valuation</b>            |                             |                             |              |
| At 1 January 2021                   | 19,123,000                  | 22,550                      | 19,145,550   |
| Additions                           | -                           | 1,183                       | 1,183        |
| Disposals                           | (18,000,000)                | -                           | (18,000,000) |
| Revaluations                        | 127,000                     | -                           | 127,000      |
|                                     | <hr/>                       | <hr/>                       | <hr/>        |
| At 31 December 2021                 | 1,250,000                   | 23,733                      | 1,273,733    |
|                                     | <hr/>                       | <hr/>                       | <hr/>        |
| <b>Depreciation</b>                 |                             |                             |              |
| At 1 January 2021                   | -                           | 14,788                      | 14,788       |
| Charge for the year on owned assets | -                           | 2,774                       | 2,774        |
|                                     | <hr/>                       | <hr/>                       | <hr/>        |
| At 31 December 2021                 | -                           | 17,562                      | 17,562       |
|                                     | <hr/>                       | <hr/>                       | <hr/>        |
| <b>Net book value</b>               |                             |                             |              |
| At 31 December 2021                 | 1,250,000                   | 6,171                       | 1,256,171    |
|                                     | <hr/>                       | <hr/>                       | <hr/>        |
| At 31 December 2020                 | 19,123,000                  | 7,762                       | 19,130,762   |
|                                     | <hr/>                       | <hr/>                       | <hr/>        |

During the year, the company transferred its trading care home property within the group at historical cost price.

The accumulated historical cost and revaluation for investment properties are £559,908 and £690,092 respectively, amounting to a revalued cost of £1,250,000.

**GRAHAM CARE (YB) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**12. Tangible fixed assets (continued)**

The commercial land and buildings were revalued as at 31 December 2021 by Henry Harris MRICS of Cushman & Wakefield using a multiple of Fair Maintainable EBITDAR.

The residential land and buildings were valued as at 31 December 2021 by the directors on an open market value for existing use basis.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

|                          | 2021<br>£      | As restated<br>2020<br>£ |
|--------------------------|----------------|--------------------------|
| <b>Group</b>             |                |                          |
| Cost                     | 559,908        | 13,024,329               |
| Accumulated depreciation | (111,421)      | (1,032,285)              |
| <b>Net book value</b>    | <u>448,487</u> | <u>11,992,044</u>        |

**GRAHAM CARE (YB) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**13. Fixed asset investments**

**Company**

|                          | Investments in<br>subsidiary<br>companies<br>£ |
|--------------------------|--|
| <b>Cost or valuation</b> |  |
| At 1 January 2021        | 5,100  |
| At 31 December 2021      | <u>5,100</u>                                   |

**Direct subsidiary undertakings**

The following were direct subsidiary undertakings of the Company:

| <b>Name</b>              | <b>Class of<br/>shares</b> | <b>Holding</b> |
|--------------------------|----------------------------|----------------|
| Rodwell House Limited    | Ordinary                   | 100%           |
| Hazeldene House Limited  | Ordinary                   | 100%           |
| Hawkinge House Limited   | Ordinary                   | 100%           |
| Woodchurch House Limited | Ordinary                   | 100%           |
| Harpwood House Limited   | Ordinary                   | 100%           |
| Hawkhurst House Limited  | Ordinary                   | 100%           |

**Indirect subsidiary undertakings**

The following were indirect subsidiary undertakings of the Company:

| <b>Name</b>                      | <b>Class of<br/>shares</b> | <b>Holding</b> |
|----------------------------------|----------------------------|----------------|
| Hawkinge House 2nd Floor Limited | Ordinary                   | 100%           |
| Hawkhurst House PRU Limited      | Ordinary                   | 100%           |
| Hawkinge House PAU Limited       | Ordinary                   | 100%           |

The above subsidiaries have been consolidated within the group financial statements.

The principal activity for the subsidiaries is the provision of nursing and residential care services.

The Group Reconstruction (note 26) provides details of the subsidiaries acquired through a group reconstruction during the year.

**GRAHAM CARE (YB) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**14. Stocks**

|                                     | Group<br>2021<br>£ | Group<br>As restated<br>2020<br>£ |
|-------------------------------------|--------------------|-----------------------------------|
| Raw materials and consumables       | 16,352             | 49,440                            |
| Work in progress (goods to be sold) | 2,470              | 2,225                             |
|                                     | <u>18,822</u>      | <u>51,665</u>                     |

**15. Debtors**

|                                     | Group<br>2021<br>£ | Group<br>2020<br>£                | Company<br>2021<br>£ | Company<br>2020<br>£                |
|-------------------------------------|--------------------|-----------------------------------|----------------------|-------------------------------------|
| <b>Due after more than one year</b> |                    |                                   |                      |                                     |
| Prepayments                         | 88,423             | -                                 | 88,423               | -                                   |
|                                     | <u>88,423</u>      | <u>-</u>                          | <u>88,423</u>        | <u>-</u>                            |
|                                     |                    |                                   |                      |                                     |
|                                     | Group<br>2021<br>£ | Group<br>As restated<br>2020<br>£ | Company<br>2021<br>£ | Company<br>As restated<br>2020<br>£ |
| <b>Due within one year</b>          |                    |                                   |                      |                                     |
| Trade debtors                       | 3,499,915          | 3,933,466                         | -                    | -                                   |
| Amounts owed by group undertakings  | 53,754,126         | 46,597,414                        | 93,341,450           | 76,652,099                          |
| Other debtors                       | 643,967            | 96,693                            | 1,496                | -                                   |
| Prepayments                         | 164,780            | 96,062                            | 27,923               | -                                   |
|                                     | <u>58,062,788</u>  | <u>50,723,635</u>                 | <u>93,370,869</u>    | <u>76,652,099</u>                   |

**16. Cash and cash equivalents**

|                          | Group<br>2021<br>£ | Group<br>As restated<br>2020<br>£ | Company<br>2021<br>£ | Company<br>As restated<br>2020<br>£ |
|--------------------------|--------------------|-----------------------------------|----------------------|-------------------------------------|
| Cash at bank and in hand | 6,698,277          | 5,716,373                         | 5,066,191            | 3,977,438                           |
|                          | <u>6,698,277</u>   | <u>5,716,373</u>                  | <u>5,066,191</u>     | <u>3,977,438</u>                    |

# GRAHAM CARE (YB) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 17. Creditors: Amounts falling due within one year

|                                    | Group<br>2021<br>£ | Group<br>As restated<br>2020<br>£ | Company<br>2021<br>£ | Company<br>As restated<br>2020<br>£ |
|------------------------------------|--------------------|-----------------------------------|----------------------|-------------------------------------|
| Bank loans                         | 3,561,761          | 34,000,000                        | 3,561,761            | 34,000,000                          |
| Trade creditors                    | 581,419            | 485,120                           | 70,551               | 34,499                              |
| Amounts owed to group undertakings | 21,407,702         | 19,965,826                        | 7,562,230            | 6,425,049                           |
| Corporation tax                    | 381,509            | 845,021                           | -                    | -                                   |
| Other taxation and social security | 391,389            | 348,504                           | 24,457               | 18,280                              |
| Other creditors                    | 1,005,502          | 990,158                           | 57,758               | 44,627                              |
| Accruals and deferred income       | 6,412,616          | 6,348,266                         | 46,170               | 3,105,549                           |
|                                    | <u>33,741,898</u>  | <u>62,982,895</u>                 | <u>11,322,927</u>    | <u>43,628,004</u>                   |

The company has pledged its assets as security against any bank loans and overdrafts held by the group companies. At the year end, Graham Care Limited had an amount outstanding in respect of secured debts of £3,561,761 (2020 - £34,000,000).

The group's bankers have a fixed and floating charge over the company's assets.

### 18. Creditors: Amounts falling due after more than one year

|                                    | Group<br>2021<br>£ | Group<br>As restated<br>2020<br>£ | Company<br>2021<br>£ | Company<br>As restated<br>2020<br>£ |
|------------------------------------|--------------------|-----------------------------------|----------------------|-------------------------------------|
| Bank loans                         | 32,400,000         | -                                 | 32,400,000           | -                                   |
| Amounts owed to group undertakings | 3,718,041          | 3,540,892                         | -                    | -                                   |
|                                    | <u>36,118,041</u>  | <u>3,540,892</u>                  | <u>32,400,000</u>    | <u>-</u>                            |

The company has pledged its assets as security against any bank loans and overdrafts held by the group companies. At the year end, Graham Care Limited had an amount outstanding in respect of secured debts of £32,400,000 (2020 - £nil).

The group's bankers have a fixed and floating charge over the company's assets.



**GRAHAM CARE (YB) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**19. Loans**

|  | Group<br>2021<br>£ | Group<br>As restated<br>2020<br>£ | Company<br>2021<br>£ | Company<br>As restated<br>2020<br>£ |
|--|--------------------|-----------------------------------|----------------------|-------------------------------------|
| <b>Amounts falling due within one year</b> |                    |                                   |                      |                                     |
| Bank loans                                 | 3,561,761          | 34,000,000                        | 3,561,761            | 34,000,000                          |
|  | <u>3,561,761</u>   | <u>34,000,000</u>                 | <u>3,561,761</u>     | <u>34,000,000</u>                   |
| <b>Amounts falling due 1-2 years</b>       |                    |                                   |                      |                                     |
| Bank loans                                 | 1,800,000          | -                                 | 1,800,000            | -                                   |
| <b>Amounts falling due 2-5 years</b>       |                    |                                   |                      |                                     |
| Bank loans                                 | 30,600,000         | -                                 | 30,600,000           | -                                   |
|  | <u>35,961,761</u>  | <u>34,000,000</u>                 | <u>35,961,761</u>    | <u>34,000,000</u>                   |

**GRAHAM CARE (YB) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**20. Deferred taxation**

**Group**

|                       | 2021<br>£                  | As restated<br>2020<br>£  |
|-----------------------|----------------------------|---------------------------|
| At beginning of year  | (9,450,098)                | (7,739,140)               |
| Charged in the year   | (4,663,237)                | (1,710,958)               |
| <b>At end of year</b> | <b><u>(14,113,335)</u></b> | <b><u>(9,450,098)</u></b> |

**Company**

|                       | 2021<br>£               | As restated<br>2020<br>£  |
|-----------------------|-------------------------|---------------------------|
| At beginning of year  | (1,128,583)             | (812,375)                 |
| Charged in the year   | 832,151                 | (316,208)                 |
| <b>At end of year</b> | <b><u>(296,432)</u></b> | <b><u>(1,128,583)</u></b> |

The provision for deferred taxation is made up as follows:

|                                   | Group<br>2021<br>£         | Group<br>As restated<br>2020<br>£ | Company<br>2021<br>£    | Company<br>As restated<br>2020<br>£ |
|-----------------------------------|----------------------------|-----------------------------------|-------------------------|-------------------------------------|
| Accelerated capital allowances    | (1,201,170)                | (941,633)                         | (141,715)               | (79,755)                            |
| Deferred tax on revaluation gains | (12,912,165)               | (8,508,465)                       | (154,717)               | (1,048,828)                         |
|                                   | <b><u>(14,113,335)</u></b> | <b><u>(9,450,098)</u></b>         | <b><u>(296,432)</u></b> | <b><u>(1,128,583)</u></b>           |

**21. Share capital**

|   | 2021<br>£ | 2020<br>£ |
|---|-----------|-----------|
| <b>Allotted, called up and fully paid</b>                 |           |           |
| 4,000 (2020 - 4,000) Ordinary Shares shares of £1.00 each | 4,000     | 4,000     |

## **GRAHAM CARE (YB) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **22. Reserves**

##### **Revaluation reserve**

The revaluation reserve represents the cumulate effect of revaluations of tangible fixed assets where a policy of revaluation has been adopted.

##### **Profit and loss account**

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

#### **23. Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £17,152 (2020 - £10,833) which are recharged within Wages and salaries to the parent company Blackstown Holdings Limited. Contributions totalling £3,162 (2020 - £2,609) were payable to the fund at the balance sheet date and are included in trade creditors.

#### **24. Related party transactions**

During the year, the company purchased consultancy services totaling £30,000 (2020 - £30,000) from Graham Associates, a partnership controlled by the directors. At the year end, £30,000 (2020 - £30,000) were owed to the partnership.

The company is a wholly owned subsidiary and accordingly has taken the exemptions provided within paragraph 33.1A of FRS 102 and therefore transactions with group companies have not been disclosed.

#### **25. Ultimate parent undertaking and controlling party**

The ultimate parent undertaking is Blackstown Holdings Limited, a company limited in England and Wales. The ultimate controlling parties are W E Graham & K E Graham by virtue of shareholdings in Blackstown Holdings Limited.

The Company have taken exemption from preparing a cashflow statement. The consolidated results and cashflow statements for the Company are included within the publicly available financial statements of Blackstown Holdings Limited.

#### **26. Group Reconstruction**

A group reconstruction was completed and Harpwood House Limited and Hawkhurst House Limited were acquired during the year from Blackstown Holdings Limited, the ultimate parent undertaking of the group. The acquisitions have been accounted for under the merger method of accounting. The results of Harpwood House Limited and Hawkhurst House Limited have been included in these consolidated financial statements for the year ended 31 December 2021 at carrying value and the comparatives for the year ended 31 December 2020 have also been restated.