

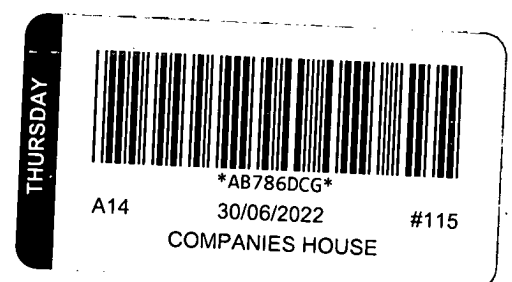
Trafalgar Enterprise Holdings Limited

Revised Director's Report and Financial Statements

Year Ended

30 September 2020

Company Number 04281856



Trafalgar Enterprise Holdings Limited

Company Information

Director	M J Hughes
Registered number	04281856
Registered office	Suite 5 33 Queen Street Wolverhampton West Midlands WV1 3AP
Independent auditor	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD
Bankers	Barclays Bank PLC UK Banking Service Centre PO BOX 299 Birmingham B1 3PF
Solicitors	Druces LLP Salisbury House London Wall London EC2M 5PS

Trafalgar Enterprise Holdings Limited

Registered number:04281856

Revised Balance Sheet As at 30 September 2020

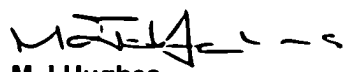
	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Investments	6		2		2
Investment property	7		999,625		999,625
			<u>999,627</u>		<u>999,627</u>
Current assets					
Debtors: amounts falling due within one year	8	-		83,994	
Creditors: amounts falling due within one year	9	(1,229,128)		(1,368,657)	
Net current liabilities			<u>(1,229,128)</u>		<u>(1,284,663)</u>
Total assets less current liabilities			<u>(229,501)</u>		<u>(285,036)</u>
Provisions for liabilities					
Deferred tax	11		(40,401)		(34,860)
Net liabilities			<u>(269,902)</u>		<u>(319,896)</u>
Capital and reserves					
Called up share capital	12		2		2
Profit and loss account	13		(269,904)		(319,898)
Total equity			<u>(269,902)</u>		<u>(319,896)</u>

The revised financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The revised financial statements were approved and authorised for issue by the board and were signed on its behalf on 20.12.2021


M J Hughes
Director

The revised notes on pages 3 to 12 form part of these revised financial statements.

Trafalgar Enterprise Holdings Limited
Registered number:04281856

Revised Balance Sheet (continued)
As at 30 September 2020

Trafalgar Enterprise Holdings Limited

Notes to the Revised Financial Statements For the Year Ended 30 September 2020

1. General information

Trafalgar Enterprise Holdings Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The revised financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of revised financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

Since the year end the company has continued to feel the impact of the COVID-19 pandemic with the additional lockdowns imposed in winter 2020-21 and the gradual releasing of restrictions in 2021. The care homes, which the company's subsidiaries operate, remained open during this time.

The director has prepared budgets and forecasts through to March 2023 and has completed a thorough impact assessment of the impact of COVID-19, including scenario forecasting and stress testing. The director has assessed the actions and strategies available to him to mitigate business threats under stress testing, however acknowledging that there is significant uncertainty on trading in the care home sector as a result of COVID-19.

The group that this company is included within (being itself and subsidiary company's Yorkshire Property Investment Fund Limited, ECHD Limited, Doncaster Property Investment Fund Limited and CCCHD Limited) has generated positive cash flows since the year end, including through the additional restrictions imposed since the year end due to the COVID-19 pandemic and has generated additional funds. There is no external debt to service. The company is in a net liability position and as such the group Parent, Embankment Holdings Limited has confirmed its willingness and ability to provide support should it be required over the next 12 months. The director is satisfied that the future trading and the parent company support will be sufficient to meet all commitments for at least 12 months from the approval of the financial statements.

Accordingly, the director believes that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would be required should the company not be a going concern.

2.3 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

Trafalgar Enterprise Holdings Limited

Notes to the Revised Financial Statements For the Year Ended 30 September 2020

2. Accounting policies (continued)

2.4 Revenue recognition

Revenue in relation to rental income is charged to the subsidiaries.

2.5 Investment property

Investment property is carried at fair value determined by the director derived from trading market value based on assessment of fair maintainable trade. No depreciation is provided. Changes in fair value are recognised in the statement of income and retained earnings.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Finance costs

Finance costs are charged to the statement of income and retained earnings. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 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.

2.9 Financial instruments

The company 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 and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of income and retained earnings.

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 company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Trafalgar Enterprise Holdings Limited

Notes to the Revised Financial Statements For the Year Ended 30 September 2020

2. Accounting policies (continued)

2.10 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.

2.11 Operating leases: the company as lessor

Rental income from operating leases is credited to profit or loss on a straight line basis over the term of the relevant lease.

2.12 Borrowing costs

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

2.13 Taxation

Tax is recognised in the statement of income and retained earnings, 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 operates and generates income.

2.14 Revision to the financial statements

These revised financial statements replace the original financial statements for the year ended 30 September 2020 which were approved by the Director on 26 October 2021. They are now the statutory financial statements of the company for that financial year. In accordance with the Companies Act 2006 (the Act), the financial statements have been revised as at the date of the original financial statements and not as at the date of this revision. Accordingly they do not deal with events between those dates.

The original financial statements did not comply with the Act in the following respect.

Following the approval of the financial statements an error was noted in the composition of the opening balances of this company and other entities in the group. Adjustments are therefore required to internal group management charges. The correction of errors reduces administration expenses of £40,613, and reduces amounts owed to group undertakings by £40,613. This also leads to a reclassification from other creditors to amounts due to group undertakings of £43,934. The corrections above leads to additional corporation tax charge of £7,716. The overall impact of the adjustments increased the profit for the year by £32,897 and increased the net assets by £32,897.

The Act requires that where revised financial statements are issued, a revised auditor's report is issued and this is attached.

Trafalgar Enterprise Holdings Limited

Notes to the Revised Financial Statements For the Year Ended 30 September 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the director has identified the following areas which are deemed to be critical accounting policies or involve significant levels of estimation uncertainty.

- Investment property (see note 7)

The valuation of the investment properties is completed by relevant qualified individuals based on all the latest relevant market data. This market data includes average occupancy rates, average weekly fees and comparable homes within the same geographical area.

4. Employees

The average monthly number of employees, including directors, during the year was 1 (2019 - 1).

5. Interest payable and similar charges

	2020 £	2019 £
Bank interest payable	24,010	117,883
	<u>24,010</u>	<u>117,883</u>

6. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 October 2019	2
At 30 September 2020	<u>2</u>

Trafalgar Enterprise Holdings Limited

Notes to the Revised Financial Statements For the Year Ended 30 September 2020

6. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Yorkshire Property Investment Fund Limited - 02377364	same as the company	Provision of care home services.	Ordinary	100%
Doncaster Property Investment Fund Limited - 02660244	same as the company	Provision of care home services.	Ordinary	100%
ECHD Limited - 04779768	same as the company	Provision of care home services.	Ordinary	100%
CCCHD Limited - 04779844	same as the company	Provision of care home services.	Ordinary	100%

Yorkshire Property Investment Fund Limited and Doncaster Property Investment Fund Limited own 100% of the ordinary share capital of ECHD Limited and CCCHD Limited respectively.

Trafalgar Enterprise Holdings Limited

Notes to the Revised Financial Statements For the Year Ended 30 September 2020

7. Investment property

	Freehold investment property £
Valuation	
At 1 October 2019	999,625
At 30 September 2020	999,625

The investment property, including fixtures and fittings were valued by independent qualified valuers on 10 January 2017. The valuations were undertaken in accordance with the precise statement in the Royal Institution of Chartered Surveyors manual by CBRE, a firm of independent property valuers who conform to the Royal Institution of Chartered Surveyors manual requirements.

The valuation was provided as an opinion of the price at which interest in the investment property including the associated fixture and fittings, utilised in the business would have been transferred at the date of valuation assuming it will continue in its present use. The director considers that there is no material difference between this valuation and the value as at 30 September 2020.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2020 £	2019 £
Historic cost	5,830,950	5,830,950
Accumulated depreciation and impairments	(5,197,941)	(5,081,322)
	633,009	749,628

8. Debtors: amounts falling due within one year

	2020 £	2019 £
Amounts owed by group undertakings	-	83,994

Trafalgar Enterprise Holdings Limited

Notes to the Revised Financial Statements For the Year Ended 30 September 2020

9. Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans	-	624,929
Other loans	7,451	-
Amounts owed to group undertakings	1,202,168	737,385
Corporation tax	7,716	-
Other creditors	11,793	6,343
	<u>1,229,128</u>	<u>1,368,657</u>

Secured loans

The bank loan was repaid in full by a fellow group company and the standard security over the Ernelesthrop Care Home and China Cottage Nursing Home was released.

10. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	-	624,929
Other loans	7,451	-
	<u>7,451</u>	<u>624,929</u>

11. Deferred taxation

	2020 £
At beginning of year	34,860
Charged to the profit or loss	5,541
At end of year	<u><u>40,401</u></u>

Trafalgar Enterprise Holdings Limited

Notes to the Revised Financial Statements For the Year Ended 30 September 2020

11. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Fixed asset timing differences	<u>(40,401)</u>	<u>(34,860)</u>

Trafalgar Enterprise Holdings Limited

Notes to the Revised Financial Statements For the Year Ended 30 September 2020

12. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2

13. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

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

14. Contingent liabilities

In October 2017 a deed of settlement was entered into with the company's lender. This settlement resulted in the bank loan of the company being written down by £2,099,313 to £725,000 and repaid in full. The lender has released the company from all obligations, liabilities, costs and claims in relation to the finance agreement that was signed in relation to this term loan. The lender has agreed an additional payment provision in the instance that the properties are sold for a value above a set base value within four years of the deed of settlement.

15. Rental income under operating leases

The company rents its freehold properties to its subsidiaries. However, there is no formal rental agreement in place, therefore, there is no minimum rental income due.

16. Controlling party

The immediate parent company is Embankment Holdings Limited (company number 04754910).

The parent undertaking of the largest and smallest group for which consolidated financial statements are prepared is Embankment Holdings Limited. The registered office of Embankment Holdings Limited is the same as the company. Consolidated financial statements are available from Companies House, Cardiff, CF14 3UZ.

The ultimate controlling party of Embankment Holdings Limited is Matthew J Hughes.

Trafalgar Enterprise Holdings Limited

Notes to the Revised Financial Statements For the Year Ended 30 September 2020

17. Auditor's information

The auditor's report on the financial statements for the year ended 30 September 2020 was unqualified.

In their report, the auditor emphasised the following matter without qualifying their report:

Emphasis of matter - revision of internal managements charges and group balances

We draw attention to note 2.14 to these revised financial statements which describes the need for revision of because of the correction of misstatements relating to intercompany charges and year end balances in the original financial statements. The original financial statements were approved on 26 October 2021 and our previous audit report was signed 28 October 2021. We have not performed a subsequent events review for the period from the date of our previous auditor's report to the date of this report. Our opinion is not modified in this respect..

The audit report was signed on 20/12/2021 by Martin Gill (Senior Statutory Auditor) on behalf of BDO LLP.