

# **Somerleigh Court Ltd**

Report and Financial Statements

Year Ended

31 March 2021

Company Number 04286432



# Somerleigh Court Ltd

## Company Information

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<b>Directors</b>	S Stoneham G P Heather
<b>Registered number</b>	04286432
<b>Registered office</b>	15 Savile Row London W1S 3PJ
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

# **Somerleigh Court Ltd**

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# **Somerleigh Court Ltd**

## **Strategic report For the year ended 31 March 2021**

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### **Introduction**

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2021.

### **Business review**

Somerleigh Court operates a continuing care retirement community in Dorchester and is part of the LifeCare Residences group of companies.

The results of the company show a pre-tax profit of £0.3 million (2020 - £0.2 million) and has a net asset position of £3.3 million (2020 - £2.9 million).

Net assets have increased by £0.3 million (2020 - decreased by £0.2 million) primarily due to the increased after tax profits. The valuation in 2021 of the freehold investment property and nursing home held by the company of has remained consistent with prior year (2020 -decreased of £0.5 million).

### **Future outlook**

The resales cycle at Somerleigh Court has reached maturity meaning we expect a significant number of resales to take place each year.

Furthermore, the directors are of the opinion, based on the high level of occupancies achieved in the previous years and the strong reputation in the area, the company will continue to grow and deliver strong financial performances in the future years.

### **Principal risks and uncertainties**

The management and execution of the business's strategy are subject to a number of risks.

At the time of writing, the effects of COVID-19 pose a significant risk to the operation of the business and the financial key performance indicators detailed below. Management, however, are confident that they have reacted to the global pandemic in a way that has protected its staff and residents and has maintained a platform for future growth. Demand for retirement living continues to outweigh supply and the reduction in nursing home occupancy at the start of the current financial year is considered short term. Management therefore believe that the future financial wellbeing of the company has been safeguarded.

Other key business risks and uncertainties affecting the company are considered to relate to competition from other national and independent operators, executive retention, events leading to reputational risk, product availability, regulatory requirements and tightening of the debt markets.

# Somerleigh Court Ltd

Strategic report (continued)  
For the year ended 31 March 2021

## Financial key performance indicators

### 1. Value of Resales

The table below illustrates the number of resales that have taken place, the total resale value and how much of the proceeds were attributable to the company:


	FY21			FY20		
	No. of Resales	Total Value of Resales (£m)	Company resales revenue (£m)	No. of Resales	Total Value of Resales (£m)	Company resales revenue (£m)
Somerleigh Court	14	4.1	0.1	14	4.0	0.1

## Other key performance indicators

### 1. Care facility occupancy

This is the occupancy rate at the nursing home at Somerleigh Court. The objective of the company is to maximise the occupancy rate for the nursing home by providing high quality care services. This objective is important to the company as occupancy is a key driver for EBITDA. For the year ended 31 March 2021 the average occupancy at Somerleigh Court was 89% (2020 - 95%). As per the prior year, Somerleigh Court has achieved better than industry standard with regards to occupancy of beds.

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

  
.....  
**G P Heather**  
Director

Date: 31 December 2021

# **Somerleigh Court Ltd**

## **Directors' report For the year ended 31 March 2021**

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

### **Directors' responsibilities**

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Principal activities**

The principal activity at the company is that of operating and managing a care home and a retirement community.

### **Results and dividends**

The profit for the year, after taxation, amounted to £292,000 (2020 - £245,000).

During the year, no dividend was paid (2020 - £Nil).

### **Directors**

The directors who served during the year were:

S Stoneham  
M J A Edser (resigned 18 June 2021)  
N J Sibley (resigned 21 July 2020)  
G P Heather (appointed 22 July 2020)

# Somerleigh Court Ltd

Directors' report (continued)  
For the year ended 31 March 2021

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## 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'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's auditor is aware of that information.

## Auditor

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

This report was approved by the board and signed on its behalf:



.....  
G P Heather  
Director

Date: 31 December 2021

# Somerleigh Court Ltd

## Independent auditor's report to the members of Somerleigh Court Ltd

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### Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Somerleigh Court Ltd ("the Company") for the year ended 31 March 2021 which comprise the statement of comprehensive income, the statement of financial Position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### 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 Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

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



# **Somerleigh Court Ltd**

## **Independent auditor's report to the members of Somerleigh Court Ltd (continued)**

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### **Other Companies Act 2006 reporting**

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

- the information given in the 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 Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

We have nothing to report in respect of the following matters 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Directors**

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

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

# Somerleigh Court Ltd

## Independent auditor's report to the members of Somerleigh Court Ltd (continued)

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### 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 financial statements.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

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:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the directors and other management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related company legislation) and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the directors.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- Our tests included agreeing the financial statement disclosures to underlying supporting documentation where relevant.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates, in particular revenue recognition as well as the valuation of investment properties and property plant and equipment, are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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


# Somerleigh Court Ltd

## Independent auditor's report to the members of Somerleigh Court Ltd (continued)

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### 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.

DocuSigned by:  
  
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**Christopher Young** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London  
United Kingdom

Date: 31 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Somerleigh Court Ltd

## Statement of comprehensive income For the year ended 31 March 2021

	Note	2021 £000	2020 £000
Turnover	4	2,675	2,598
Cost of sales		(2,085)	(1,953)
<b>Gross profit</b>		<b>590</b>	<b>645</b>
Administrative expenses		(330)	(293)
Other operating income	5	119	-
<b>Operating profit</b>	6	<b>379</b>	<b>352</b>
Interest payable and similar charges	9	(87)	(107)
<b>Profit before tax</b>		<b>292</b>	<b>245</b>
Tax on profit	10	-	-
<b>Profit for the financial year</b>		<b>292</b>	<b>245</b>
<b>Other comprehensive income for the year</b>			
Unrealised gain/(deficit) on revaluation of tangible fixed assets	11	17	(563)
Tax on revaluation of freehold property		(3)	78
<b>Total comprehensive income/(loss) for the year</b>		<b>306</b>	<b>(240)</b>

All amounts relate to continuing operations.

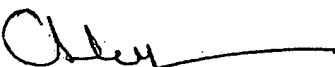
The notes on pages 12 to 22 form part of these financial statements.

**Somerleigh Court Ltd**  
Registered number:04286432

**Statement of financial position**  
**As at 31 March 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible fixed assets	11	5,090	5,049
<b>Current assets</b>			
Stocks	12	7	-
Debtors	13	1,034	741
Cash at bank and in hand		44	32
		<u>1,085</u>	<u>773</u>
Creditors: amounts falling due within one year	14	(224)	(185)
<b>Net current assets</b>		<u>861</u>	<u>588</u>
<b>Total assets less current liabilities</b>		<u>5,951</u>	<u>5,637</u>
Creditors: amounts falling due after more than one year	15	(2,490)	(2,485)
<b>Provisions for liabilities</b>			
Deferred tax	17	(171)	(168)
<b>Net assets</b>		<u><u>3,290</u></u>	<u><u>2,984</u></u>
<b>Capital and reserves</b>			
Share capital	18	-	-
Revaluation reserve	19	2,395	2,381
Retained earnings	19	895	603
		<u><u>3,290</u></u>	<u><u>2,984</u></u>

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

  
.....  
**G P Heather**  
Director

Date: 31 December 2021

The notes on pages 12 to 22 form part of these financial statements.

# Somerleigh Court Ltd

## Statement of changes in equity For the year ended 31 March 2021

	Share capital £000	Revaluation reserve £000	Retained earnings £000	Total equity £000
At 1 April 2020	-	2,381	603	2,984
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	292	292
Surplus on revaluation of freehold property (note 11)	-	17	-	17
Tax on revaluation of freehold property	-	(3)	-	(3)
<b>At 31 March 2021</b>	<b>-</b>	<b>2,395</b>	<b>895</b>	<b>3,290</b>

## Statement of changes in equity For the year ended 31 March 2020

	Share capital £000	Revaluation reserve £000	Retained earnings £000	Total equity £000
At 1 April 2019	-	2,866	358	3,224
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	245	245
Deficit on revaluation of freehold property (note 11)	-	(563)	-	(563)
Tax on revaluation of freehold property	-	78	-	78
<b>At 31 March 2020</b>	<b>-</b>	<b>2,381</b>	<b>603</b>	<b>2,984</b>

The notes on pages 12 to 22 form part of these financial statements.

# Somerleigh Court Ltd

## Notes to the financial statements For the year ended 31 March 2021

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### 1. General information

Somerleigh Court Ltd is a private company, limited by shares, and incorporated in England & 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 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 preparation of 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 following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Lifecare Residences Limited as at 31 March 2021 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

#### 2.3 Going concern

These accounts have been prepared on a going concern basis. As described in the strategic report the company has been impacted by COVID-19 and the resultant impact on the economy. In assessing going concern the directors have produced cash-flow forecasts which they consider to be an accurate forecast of the business operating in the COVID-19 environment.

#### 2.4 Turnover

Turnover represents income from the provision of property management, and care services and is recognised in the period the service is provided. Turnover also represents income from sales commission recognised on legal completion of the sale.

# Somerleigh Court Ltd

## Notes to the financial statements For the year ended 31 March 2021

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### 2. Accounting policies (continued)

#### 2.5 Government grants

Grants are recognised when there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. The grants are recognised in the income statement (under other operating income) over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

#### 2.6 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.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold land	- Nil
Fixtures, fittings and equipment	- 20% - 25% per annum

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 the statement of comprehensive income.

#### 2.7 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 statement of financial position 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 the statement of comprehensive income.

#### 2.8 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 the statement of comprehensive income.



# Somerleigh Court Ltd

## Notes to the financial statements For the year ended 31 March 2021

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### 2. Accounting policies (continued)

#### 2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income 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 reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position 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 reporting date.

#### 2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

#### 2.11 Debtors

Short term debtors are measured at transaction price, less any impairment.

#### 2.12 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.

#### 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.

# **Somerleigh Court Ltd**

## **Notes to the financial statements For the year ended 31 March 2021**

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

#### **2.14 Finance costs**

Finance costs are charged to the statement of comprehensive income 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.

#### **2.15 Pensions**

##### **Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

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

#### **Other key sources of estimation uncertainty**

- Tangible fixed assets (see note 11)

Tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- The freehold property valuations are based on a multiple of 9 times EBITDA, with variables being unchanged from the prior financial year.
- The freehold investment property is based on a professional valuation using a net present value of expected cashflow method.

# Somerleigh Court Ltd

## Notes to the financial statements For the year ended 31 March 2021

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Key inputs into the freehold investment property valuation were:

- Length of cashflows 25 years
- Weighted average cost of capital 10%
- Average length of stay 6.5 years
- Average growth property rate 2% of annum.
- Service charge subsidy of £75,000

### 4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £000	2020 £000
Care services	2,553	2,484
Property management	2	3
Sales commission	58	51
Deferred membership fee	62	60
	<u>2,675</u>	<u>2,598</u>

All turnover arose within the United Kingdom.

### 5. Other operating income

	2021 £000	2020 £000
Other operating income	<u>119</u>	<u>-</u>

Included within other operating income are UK Government COVID related grants.

# Somerleigh Court Ltd

## Notes to the financial statements For the year ended 31 March 2021

### 6. Operating profit

The operating profit is stated after charging:

	2021 £000	2020 £000
Depreciation of tangible fixed assets	62	48
Defined contribution pension cost	33	29
	<u>95</u>	<u>77</u>

During the year, no director received any emoluments (2020 - £Nil).

### 7. Auditor's remuneration

	2021 £000	2020 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	6	5
	<u>6</u>	<u>5</u>

Fees payable to the company's auditor and its associates in respect of:

Other services relating to taxation	3	3
All other services	2	1
	<u>5</u>	<u>4</u>

### 8. Employees

Staff costs were as follows:

	2021 £000	2020 £000
Wages and salaries	1,583	1,422
Social security costs	119	108
Cost of defined contribution scheme	33	29
	<u>1,735</u>	<u>1,559</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Employees (Including part time)	99	97
	<u>99</u>	<u>97</u>

# Somerleigh Court Ltd

## Notes to the financial statements For the year ended 31 March 2021

### 9. Interest payable and similar expenses

	2021 £000	2020 £000
Bank interest payable	82	98
Other fees	5	9
	<u>87</u>	<u>107</u>

### 10. Taxation

	2021 £000	2020 £000
Current tax on profits for the year	-	-
<b>Total current tax</b>	<u>-</u>	<u>-</u>

#### Factors affecting tax charge for the year

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

	2021 £000	2020 £000
Profit on ordinary activities before tax	<u>292</u>	<u>245</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	55	47
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	1
Fixed asset differences	-	1
Changes in tax rates	-	3
Group relief	(45)	(29)
Deferred tax not recognised	(10)	(23)
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>

As at the 31 March 2021 the company has not recognised deferred tax assets in respect of losses and fixed asset timing differences of £60,325 (2020 - £49,083) due to uncertainty regarding timing and the amount of the realisation.

# Somerleigh Court Ltd

## Notes to the financial statements For the year ended 31 March 2021

### 11. Tangible fixed assets

	Freehold investment property £000	Freehold land and buildings £000	Fixtures, fittings and equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 April 2020	150	4,722	406	5,278
Additions	-	-	86	86
Revaluations	-	17	-	17
At 31 March 2021	150	4,739	492	5,381
<b>Depreciation</b>				
At 1 April 2020	-	-	229	229
Charge for the year	-	-	62	62
At 31 March 2021	-	-	291	291
<b>Net book value</b>				
At 31 March 2021	150	4,739	201	5,090
At 31 March 2020	150	4,722	177	5,049
			<b>Investment property £000</b>	<b>Land and buildings £000</b>

#### At valuation:

31 March 2021 on an open market basis	150	4,940
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Freehold land and buildings and freehold investment property have been valued as at 31 March 2021 by external valuers on an open market basis.

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

	2021 £000	2020 £000
Cost	2,769	2,769
Net book value	2,769	2,769

# Somerleigh Court Ltd

## Notes to the financial statements For the year ended 31 March 2021

### 12. Stocks

	2021 £000	2020 £000
Work in progress	7	-

### 13. Debtors

	2021 £000	2020 £000
Trade debtors	175	156
Amounts owed by group undertakings	826	549
Other debtors	-	3
Prepayments and accrued income	33	33
	<b>1,034</b>	<b>741</b>

All amounts shown under debtors fall due for payment within one year.

### 14. Creditors: amounts falling due within one year

	2021 £000	2020 £000
Residents funds held in trust	29	13
Trade creditors	128	123
Other creditors	19	6
Accruals and deferred income	48	43
	<b>224</b>	<b>185</b>

# Somerleigh Court Ltd

## Notes to the financial statements For the year ended 31 March 2021

### 15. Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Bank loans	<u>2,490</u>	<u>2,485</u>

#### Secured loans

The loan is secured over the property which is held at valuation of £5,090,000.

Interest is payable at LIBOR + 3% per annum. The loan is repayable on 16 March 2023.

As at the year end £2,500,000 is outstanding on this loan and the loan is shown above net of arrangement fees of £10,000 (2020 - £15,000).

### 16. Loans

Analysis of the maturity of loans is given below:

	2021 £000	2020 £000
<b>Amounts falling due 2-5 years</b>		
Bank loans	<u>2,500</u>	<u>2,500</u>

### 17. Deferred taxation

	2021 £000	2020 £000
At beginning of year	(168)	(246)
(Credited)/charged to other comprehensive income	(3)	78
<b>At end of year</b>	<u>(171)</u>	<u>(168)</u>

The provision for deferred taxation is made up as follows:

	2021 £000	2020 £000
Timing differences from freehold property	<u>(171)</u>	<u>(168)</u>



# Somerleigh Court Ltd

## Notes to the financial statements For the year ended 31 March 2021

### 18. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
1 (2020 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

### 19. Reserves

#### Revaluation reserve

Gains/losses arising on the revaluation of the nursing home held as freehold land and buildings.

#### Retained earnings

Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

### 20. 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 £32,969 (2020 - £28,670). Contributions totalling £6,306 (2020 - £5,378) were payable to the fund at the reporting date.

### 21. Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 Section 33 'Related Party Disclosures' paragraph 33.1A not to disclose transactions with certain group companies on the grounds that 100% of the voting rights in the company are controlled by the group.

### 22. Controlling party

The company's intermediate parent company is LifeCare Residences Limited. The ultimate parent company is Renaissance Holdings (NZ) Limited, which is incorporated in New Zealand.