

COMPANY REGISTRATION NUMBER: 04484936

Loxley Health Care Limited

Directors' Report and Financial Statements

30 March 2020

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Loxley Health Care Limited

Financial Statements

Year ended 30 March 2020

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements	3
Independent auditor's report to the members of Loxley Health Care Limited	4
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

Loxley Health Care Limited

Officers and Professional Advisers

The board of directors	D Johnson HW Knight
Registered office	The Hamlet Hornbeam Park Harrogate North Yorkshire HG2 8RE
Auditor	RSM UK Audit LLP 7th Floor City Gate East Tollhouse Hill Nottingham NG1 5FS
Bankers	National Westminster Bank plc 8 Market Place Huddersfield HD1 2AL
Solicitors	Pinsent Masons LLP 1 Park Row Leeds LS1 5AB

Loxley Health Care Limited

Directors' Report

Year ended 30 March 2020

The directors present their report and the financial statements of the company for the year ended 30 March 2020.

Directors

The directors who served the company during the year were as follows:

D Johnson	
HW Knight	(appointed 1 May 2020)
TA Brookes	(resigned 4 October 2019)
L Lee	(resigned 1 May 2020)
R Stafford	(resigned 1 November 2019)

Going concern

During the year the company disposed of its remaining care home and the company ceased trading. The financial statements have therefore not been prepared on a going concern basis.

Auditor

RSM UK Audit LLP have indicated their willingness to continue in office. They will therefore be deemed reappointed as auditors in the absence of a general meeting.

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 5th February 2021 and signed on its behalf by:



D Johnson
Director

Registered office:
The Hamlet
Hornbeam Park
Harrogate
North Yorkshire
HG2 8RE

Loxley Health Care Limited

Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

Year ended 30 March 2020

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

As described in note 3 the financial statements are not prepared on a going concern basis.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Loxley Health Care Limited

Independent Auditor's Report to the Members of Loxley Health Care Limited

Year ended 30 March 2020

Opinion

We have audited the financial statements of Loxley Health Care Limited (the 'company') for the year ended 30 March 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Non-going concern basis of accounting

We draw attention to note 3 of the financial statements which describes the preparation of the financial statements on a non-going concern basis. As described in note 3, subsequent to the year end the directors completed the disposal of the company's trade and undertaking, and do not intend to secure a replacement trade. They have therefore concluded that it is no longer appropriate to prepare the financial statements on a going concern basis. No adjustments to the financial statements were necessary as a result of the application of the non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

we have nothing to report in this regard.

Loxley Health Care Limited

Independent Auditor's Report to the Members of Loxley Health Care Limited (continued)

Year ended 30 March 2020

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor'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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Loxley Health Care Limited

Independent Auditor's Report to the Members of Loxley Health Care Limited *(continued)*

Year ended 30 March 2020

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.

RSM UK Audit LLP

Richard King FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
7th Floor
City Gate East
Tollhouse Hill
Nottingham
NG1 5FS

8 February 2021

Loxley Health Care Limited
Statement of Comprehensive Income
Year ended 30 March 2020

	Note	2020 £	2019 £
Turnover	4	431,956	1,191,954
Cost of sales		(565,629)	(1,342,844)
Gross loss		(133,673)	(150,890)
Administrative expenses		(260,174)	(206,318)
Operating loss		(393,847)	(357,208)
Interest payable and similar charges		(337)	(834)
Loss before taxation	5	(394,184)	(358,042)
Tax on loss on ordinary activities	8	8,271	–
Loss for the financial year and total comprehensive income		(385,913)	(358,042)

All the activities of the company are from discontinued operations.

The notes on pages 10 to 15 form part of these financial statements.

Loxley Health Care Limited

Balance Sheet

Year ended 30 March 2020

	Note	2020 £	2019 £
Fixed Assets			
Tangible assets	9	-	-
Current Assets			
Debtors	10	-	63,278
Cash at bank and in hand		3,863	4,343
		<u>3,863</u>	<u>67,621</u>
Creditors: amounts falling due within one year	11	<u>(3,280,015)</u>	<u>(2,957,860)</u>
Net current liabilities		<u>(3,276,152)</u>	<u>(2,890,239)</u>
Net liabilities		<u>(3,276,152)</u>	<u>(2,890,239)</u>
Capital and reserves			
Called up share capital	13	2	2
Share premium account	14	193,599	193,599
Profit and loss account	14	<u>(3,469,753)</u>	<u>(3,083,840)</u>
Shareholders' deficit		<u>(3,276,152)</u>	<u>(2,890,239)</u>

The financial statements on pages 7 to 15 were approved by the board of directors and authorised for issue on 05/02/2021....., and are signed on behalf of the board by:



D Johnson
Director

Company registration number: 04484936

The notes on pages 10 to 15 form part of these financial statements.

Loxley Health Care Limited

Statement of Changes in Equity

Year ended 30 March 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 31 March 2018	2	193,599	(2,725,798)	(2,532,197)
Loss for the year	—	—	(358,042)	(358,042)
Total comprehensive income for the year	—	—	(358,042)	(358,042)
 At 30 March 2019	2	193,599	(3,083,840)	(2,890,239)
Loss for the year	—	—	(385,913)	(385,913)
Total comprehensive income for the year	—	—	(385,913)	(385,913)
 At 30 March 2020	2	193,599	(3,469,753)	(3,276,152)

The notes on pages 10 to 15 form part of these financial statements.

Loxley Health Care Limited

Notes to the Financial Statements

Year ended 30 March 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is The Hamlet, Hornbeam Park, Harrogate, North Yorkshire, HG2 8RE.

2. Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, and are presented in sterling, which is also the functional currency of the entity.

Going concern – financial statements prepared on a non-going concern basis

Subsequent to the year end the directors completed the disposal of the company's trade and undertaking, and do not intend to secure a replacement trade. The financial statements have therefore not been prepared on a going concern basis.

No adjustments to the financial statements were necessary as a result of the application of the non-going concern basis of accounting.

Disclosure exemptions

The Company's ultimate parent undertaking, Cortina Race LLP includes the Company in its consolidated financial statements. The consolidated financial statements of Cortina Race LLP are prepared in accordance with Financial Reporting Standard 102 applicable in the UK and Republic of Ireland and are available to the public and may be obtained from 21 Palmer Street, London, SW1H 0AD. In these financial statements, the company is considered to be a qualifying entity (for the purposes of the FRS) and has applied the exemptions available under FRS 102 in the respect of the following disclosures:

- Financial instruments disclosures;
- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

Judgements and key sources of estimation uncertainty

Estimates and judgements are regularly evaluated and are based on experience and future expectations of current events.

Revenue recognition

Revenue is recognised at the point at which services are supplied to residents. Where services are performed gradually over time, revenue is recognised as the activity progresses by reference to the value of the services provided.

Loxley Health Care Limited

Notes to the Financial Statements

Year ended 30 March 2020

3. Accounting policies (continued)

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Rentals applicable to operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged to the profit and loss account on a straight line basis over the term of the lease.

Tangible assets

Impairment of intangible and tangible fixed assets is considered to be an area of judgement. The carrying value of intangible and tangible fixed assets at each balance sheet date is compared with an internal valuation of the homes based on future forecast cash flows and a provision for impairment is made if the carrying value is higher than the valuation.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings - 20% straight line

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Loxley Health Care Limited

Notes to the Financial Statements

Year ended 30 March 2020

3. Accounting policies (continued)

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover is attributable to the principal activity of the company, which is wholly undertaken in the United Kingdom and relates to the rendering of services.

5. Loss before taxation

Loss before taxation is stated after charging:

	2020	2019
	£	£
Depreciation of tangible assets	1,244	25,721
Impairment of tangible assets	–	32,763
Loss on disposal of tangible assets	20,257	91,729
Operating lease rentals - land & buildings	24,933	69,260

The auditors' remuneration for 2020 was borne by a fellow group undertaking with no recharge made. The total charge for the year is disclosed in the financial statements of the ultimate parent, Cortina Race LLP.

6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2020	2019
	No.	No.
Number of care staff	26	42

The aggregate payroll costs relating to the above were:

	2020	2019
	£	£
Wages and salaries	297,991	771,760
Social security costs	19,897	49,173
Other pension costs	6,427	10,489
	324,315	831,422

Loxley Health Care Limited

Notes to the Financial Statements

Year ended 30 March 2020

7. Directors' remuneration

Directors' remuneration is borne by OCH Management Services Limited, a fellow subsidiary undertaking, and no recharge or allocation has been made in relation to services provided to the Company in 2019 or 2020.

8. Tax on loss on ordinary activities

	2020	2019
	£	£
Adjustment in respect of prior years	8,271	–
	<u>8,271</u>	<u>–</u>

Factors affecting tax credit/charge for the year

The tax assessed on the loss on ordinary activities for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020	2019
	£	£
Loss on ordinary activities before taxation	(394,184)	(358,042)
Loss on ordinary activities by rate of tax	(74,895)	(68,028)
Effect of expenses not deductible for tax purposes	–	17,429
Deferred tax not recognised	105,554	57,852
Rate differences	(30,659)	(7,253)
Adjustment in respect of prior years	8,271	–
Tax on loss	<u>8,271</u>	<u>–</u>

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date. Unrecognised deferred tax assets in respect of losses, short term timing differences and fixed asset timing differences amounted to £366,150 (2019: £421,632) and have not been recognised in the financial statements as there is uncertainty over the availability or timing of future taxable profits.

Loxley Health Care Limited
Notes to the Financial Statements
Year ended 30 March 2020

9. Tangible assets

	Fixtures and fittings £
Cost	
At 31 March 2019	153,798
Additions	8,822
Disposals	(162,620)
At 30 March 2020	—
Depreciation	
At 31 March 2019	153,798
Charge for the year	1,244
Disposals	(155,042)
At 30 March 2020	—
Carrying amount	
At 30 March 2020	—
At 30 March 2019	—

10. Debtors

	2020 £	2019 £
Trade debtors	—	48,927
Prepayments and accrued income	—	14,351
	—	63,278

The amounts owed from group undertakings are interest-free and repayable upon demand.

11. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	—	55,881
Amounts owed to group undertakings	3,277,906	2,829,961
Accruals and deferred income	1,322	59,113
Other creditors	787	5,432
Taxation and social security	—	7,473
	3,280,015	2,957,860

The amounts owed to group undertakings are interest-free and repayable upon demand.

Loxley Health Care Limited

Notes to the Financial Statements

Year ended 30 March 2020

12. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £6,427 (2019: £10,489). Contributions totalling £Nil (2019: £Nil) were payable to the fund at the year end.

13. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

14. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares issued, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses.

15. Related party transactions

During the year the Company (incurred costs)/recharged costs with group undertakings as follows:

	Management fee £	Recharges £	Total £
Group undertakings	<u>(127,966)</u>	<u>(24,978)</u>	<u>(152,944)</u>

The net amounts owed to group undertakings at the year end was £(3,277,906).

16. Controlling party

The Company is a subsidiary undertaking of Cortina Race LLP. The ultimate controlling party is Alchemy Special Opportunities Fund III LP, Trafalgar Court, Les Banques, St Peter's Port, Guernsey, Channel Isles, GY1 3QL.

The largest group in which the results of the Company are consolidated is that headed by Cortina Race LLP, incorporated in the United Kingdom. These consolidated financial statements are available to the public and may be obtained from Companies House.