

**ASK (GREENWICH) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022.**

**Company Number: 04487390**

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**ASK (Greenwich) Limited**

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**ASK (Greenwich) Limited**

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**Directors and advisors at date of approval of the financial statements**

**Directors**

Ed Lunt

James Whitmore

Peter Williams

**Company Secretary**

Nicole Seymour

**Registered office**

Chamber Court

Castle Street

Worcester

WR1 3ZQ

**Independent auditor**

KPMG LLP

One Snowhill

Snow Hill Queensway

Birmingham

B4 6GH

**Internal statutory auditor**

PricewaterhouseCoopers LLP

One Chamberlain Square

Birmingham

B3 3AX

**Banker**

National Westminster Bank PLC

135 Bishopsgate

London

EC2M 3UR

**Legal advisor**

Gowling WLG LLP

Two Snowhill

Birmingham

B4 6WR

**Registered number**

Company Number: 04487390

**ASK (Greenwich) Limited****Strategic report for the year ended 31 March 2022**

The Directors present their Strategic report, Directors' report and the audited financial statements of ASK (Greenwich) Limited (the Company) for the year ended 31 March 2022.

**Review of the business and future developments**

In accordance with the terms of an agreement with the Royal Borough of Greenwich (the Project Agreement) the Company has modelled anticipated financial performance over the full 32 year term of the Project Agreement. The Company monitors its actual performance against the financial model. At 31 March 2022, the Company's performance against this measure was satisfactory.

In accordance with the terms of the Project Agreement, the Company will continue to maintain and operate three care homes in the Greenwich area over the period to 2034.

**Results and gift aid**

The results of the Company for the year ended 31 March 2022 are set out on page 11. The Directors are satisfied with the result for the year and expect future performance to continue in line with the Company's financial model.

The Directors approve a Gift Aid payment of £1,978,000 (2021: £1,265,000) to the Company's ultimate parent undertaking, Sanctuary Housing Association.

**Key performance indicators**

Financial penalties are levied by The Royal Borough of Greenwich in the event of the Company failing to make areas of its three care homes available for use (availability deductions) and in the event of service performance not being achieved according to detailed criteria set out in the Project Agreement (performance deductions). Any such deduction is passed down to Sanctuary Care Limited, the service provider, but their quantum is an indication of the level of performance achieved. In the year ended 31 March 2022, deductions of £2,000 were borne by the Company (2021: £1,000).

**Principal risks**

The Company is a subsidiary of Sanctuary Housing Association and part of the Sanctuary Group of entities (the Group). The Company operates a comprehensive risk mapping process as part of its annual business planning cycle. This process identifies a number of external factors which affect both the Group and the Company.

The Executive Committee and Group Audit and Risk Committee review and scrutinise the risk maps for all Group entities. The Group Board approves the Group risk map.

The principal risks for the Company, which have been covered by the risk map considered by the Company's Board of Directors during 2021/2022 are as follows:

- The Royal Borough of Greenwich is the Company's sole client. However, the Directors consider that no significant risk arises from such a client base as the Council is legally bound to its obligations for the project term.
- In accordance with the Project Agreement, financial penalties are levied by The Royal Borough of Greenwich when certain service criteria are not met. The Directors do not consider this to be a significant risk as any financial penalties are passed on to the service provider.
- The Company has an obligation to maintain the care homes over the concession period to a specified standard. The obligation has been passed down to the Company's service providers.

**ASK (Greenwich) Limited**

**Strategic report for the year ended 31 March 2022 continued**

**Financial risk**

The Company's operations expose it to a variety of financial risks that include the effects of liquidity risk and interest rate risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and related finance costs.

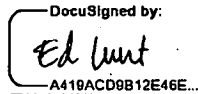
*Liquidity risk*

The Company maintains a level of debt finance in accordance with its financial model to ensure that it has sufficient funds available for its operations.

*Interest rate risk*

The Company has entered into an interest hedging agreement on its external loan facility to fix the interest rate at 5.99% over the facility term. Intercompany borrowings are fixed at 13.09%.

By order of the Board.

DocuSigned by:  
  
A419ACD9B12E46E...  
Ed Lunt  
Chair

15 September 2022

**ASK (Greenwich) Limited**

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**Directors' report for the year ended 31 March 2022**

**Principal activity**

The principal activities of the Company are the design, construction, financing and maintenance of three care homes in the Greenwich area, together with the provision of care services for older people, all in accordance with the terms of the Project Agreement with the Royal Borough of Greenwich.

The Project Agreement together with a loan facilities agreement, a construction contract, a care and support services contract, maintenance and life cycle services agreement and other related contracts were signed on 27 September 2002. The concession period runs for a period of 32 years from this date.

The Company was incorporated on 16 July 2002 under Companies Act number 04487390. The Company's ultimate parent undertaking is Sanctuary Housing Association and the immediate parent undertaking is ASK (Holdings) Limited. The Company forms part of the Sanctuary Group of entities.

**Going concern**

The Directors confirm that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company also has the continued support of its ultimate parent, Sanctuary Housing Association, who has provided a letter of support to the Directors of the Company to confirm that it intends to provide financial and other support as required for a period of at least 12 months from the date of these financial statements. Accordingly, the Company continues to adopt the going concern basis in its financial statements. Further details are given in note 1.

**Directors**

The Directors who served during the year and to the date of the financial statements being approved, unless otherwise stated, were:

Ed Lunt (Chair)  
James Whitmore  
Peter Williams

**Company Secretary**

Nicole Seymour

**ASK (Greenwich) Limited****Directors' report for the year ended 31 March 2022 continued****Statement of Directors' responsibilities in respect of the Strategic Report, Directors' Report and Financial Statements**

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, 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, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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.

**Disclosure of information to auditor**

In the case of each Director in office at the date the Directors' report is approved:

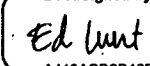
- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's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

**Independent auditor**

KPMG LLP has indicated its willingness to continue in office and a resolution concerning the appointment of the auditor will be proposed at the next Annual General Meeting.

By order of the Board.

DocuSigned by:

  
A410ACD0B12E46E...  
Ed Lunt  
Chair

15 September 2022

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASK (GREENWICH) LIMITED**

### **Opinion**

We have audited the financial statements of ASK (Greenwich) Limited (the Company) for the year ended 31 March 2022 which comprise the Profit and Loss Account, the Balance Sheet and the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors, internal audit and inspection of policy documentation as to the charitable company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the charitable company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASK (GREENWICH) LIMITED CONTINUED**

- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to income recognition because the charitable company does not operate in an industry that would create an inherent income risk, the income transactions do not contain estimates, there is no history of significant or a high number of audit misstatements in relation to income and management is not incentivised on income directly.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation) and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the charitable company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulation.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASK (GREENWICH) LIMITED CONTINUED**

### **Directors' report**

The Directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 6, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASK (GREENWICH) LIMITED  
CONTINUED**

**The purpose of our audit work and to whom we owe our responsibilities**

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.



**Sarah Tannock-Kitchen (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

Date: 21 September 2022

**ASK (Greenwich) Limited****Profit and Loss Account for the year ended 31 March 2022**

	<b>Notes</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Turnover		9,917	9,437
Facilities and service fees		(9,330)	(8,894)
Administrative expenses		(60)	(37)
<b>Operating profit</b>	<b>2</b>	<b>527</b>	<b>506</b>
Interest receivable and similar income	<b>4</b>	2,181	1,557
Interest payable and similar charges	<b>5</b>	(730)	(798)
<b>Profit before tax</b>		<b>1,978</b>	<b>1,265</b>
Tax on profit	<b>6</b>	(287)	(83)
<b>Profit for the financial year</b>		<b>1,691</b>	<b>1,182</b>

There are no differences between the profit before tax and the profit for the years stated above and their historical cost equivalents.

The Company has no recognised gains and losses other than those included in the Profit and Loss Account above and therefore no separate Statement of Other Comprehensive Income has been presented.

The profit for both periods relates wholly to continuing activities.


The notes on pages 14 to 20 form part of these financial statements.

**ASK (Greenwich) Limited****Balance Sheet as at 31 March 2022**

	Notes	2022 £'000	2021 £'000
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	1,000	2,073
Debtors: amounts falling due after more than one year	8	10,308	11,397
		<u>11,308</u>	<u>13,470</u>
Cash at bank and in hand		4,351	5,038
		<u>15,659</u>	<u>18,508</u>
<b>Current liabilities</b>			
Creditors	9	(3,852)	(4,510)
		<u>11,807</u>	<u>13,998</u>
<b>Current assets less current liabilities</b>			
Creditors: amounts falling due after more than one year	10	(9,114)	(9,976)
<b>Provisions for liabilities</b>			
Deferred tax liability	11	(328)	(41)
Derivative financial liability	12	(1,485)	(2,814)
		<u>880</u>	<u>1,167</u>
<b>Net assets</b>			
<b>Capital and reserves</b>			
Called up share capital	13	15	15
Profit and loss account		865	1,152
		<u>880</u>	<u>1,167</u>
<b>Total shareholders' funds</b>			

The notes on pages 14 to 20 form part of these financial statements.

The financial statements were approved by the Board of Directors on 15 September 2022 and were signed on its behalf by:

DocuSigned by:  
  
 A419ACD9B12E46E...  
 Ed Lunt  
 Chair

**ASK (Greenwich) Limited****Statement of Changes in Equity as at 31 March 2022**

	<b>Share capital</b>	<b>Profit and Loss Account</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 April 2020	15	1,235	1,250
<b>Comprehensive income</b>			
Profit for the year	-	1,182	1,182
<b>Total comprehensive income</b>	-	<b>1,182</b>	<b>1,182</b>
<b>Transactions with owners</b>			
Gift aid	-	(1,265)	(1,265)
<b>Total transactions with owners</b>	-	<b>(1,265)</b>	<b>(1,265)</b>
<b>At 31 March 2021</b>	<b>15</b>	<b>1,152</b>	<b>1,167</b>
At 1 April 2021	15	1,152	1,167
<b>Comprehensive income</b>			
Profit for the year	-	1,691	1,691
<b>Total comprehensive income</b>	-	<b>1,691</b>	<b>1,691</b>
<b>Transactions with owners</b>			
Gift aid	-	(1,978)	(1,978)
<b>Total transactions with owners</b>	-	<b>(1,978)</b>	<b>(1,978)</b>
<b>At 31 March 2022</b>	<b>15</b>	<b>865</b>	<b>880</b>

The notes on pages 14 to 20 form part of these financial statements.

**ASK (Greenwich) Limited****Notes to the financial statements for the year ended 31 March 2022****1. Principal accounting policies**

ASK (Greenwich) Limited is a company limited by shares and incorporated and domiciled in the UK.

The financial statements are presented in pounds sterling, which is the Company's functional currency. Unless otherwise stated, amounts are denominated in thousands (£'000) rounded to the nearest £1,000.

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).

The Company's ultimate parent undertaking, Sanctuary Housing Association includes the Company in its consolidated financial statements. The consolidated financial statements of Sanctuary Housing Association are prepared in accordance with UK-adopted international accounting standards (IFRS) and are available to the public and may be obtained from Sanctuary House, Chamber Court, Castle Street, Worcester, WR1 3ZQ.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Disclosures in respect of transactions with wholly owned subsidiaries of the Group;
- Cash Flow Statement and related notes; and
- Key management personnel compensation.

As the consolidated financial statements of Sanctuary Housing Association include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

**Going concern**

The Company's principal activities, together with factors likely to affect its future performance, are set out on page 3.

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

The Directors have prepared a going concern assessment, based on consideration of cash flow forecasts, for a period of at least 12 months from the date of approval of these financial statements (the going concern assessment period), taking account a number of plausible downside scenarios. In forming their view the Directors have taken into consideration that Sanctuary Housing Association, the Company's ultimate parent, has provided a letter of support to the Directors of the Company to confirm that it intends, should the need arise, to provide financial and/or other support to the Company, including, if required, not seeking repayment of amounts currently made available (note 9 - £2,712,000 at 31 March 2022(2021: £3,441,000)), for the period covered by the forecasts. Based on these considerations it has been concluded that the Company will have sufficient funds to meet its liabilities as they fall due for the period of assessment.

As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

**ASK (Greenwich) Limited****Notes to the financial statements for the year ended 31 March 2022 continued****1. Principal accounting policies continued****Going concern (continued)**

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

**Turnover**

A margin is applied to costs charged to the Profit and Loss Account to calculate the turnover credited to the Profit and Loss Account. This margin is calculated using total income receivable over the lease period, less all service costs and other operating costs payable over the lease period. The lease period is up to 2034.

**Basic Financial Instruments**

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

**Other financial instruments**

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately within the Profit and Loss Account.

**Value Added Tax (VAT)**

The majority of the Company's turnover is subject to VAT. Costs incurred from other Group entities are exempt from VAT. Where applicable, turnover and costs are stated excluding any recoverable VAT.

**Taxation**

Where applicable, the tax expense for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss Account.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

**Gift Aid**

Where Gift Aid is expected to be made to the Company's ultimate parent undertaking, Sanctuary Housing Association, these are treated as a distribution of reserves. Tax credits on gift aid distributions are included within the presentation of taxation in the Profit And Loss Account.



**ASK (Greenwich) Limited****Notes to the financial statements for the year ended 31 March 2022 continued****1. Principal accounting policies continued****Finance debtor**

Costs incurred in the construction of the care homes have been accounted for in accordance with their substance and not merely their legal form as stipulated by Section 2 of FRS 102. Costs comprise direct payments to the contractor, relevant initial project costs and interest costs incurred over the construction period on borrowings to fund construction.

The finance debtor is repaid over the life of the lease, and revenue is apportioned between a deemed interest charge and turnover. This deemed interest charge is based upon the value of the financial debt outstanding and is included within interest receivable.

The Company has taken advantage of the exemption contained within 35.10(i) of FRS 102 not to apply 34.12I – 34.16A to its PFI service concession arrangement (the finance debtor). Accordingly the service concession arrangement has continued to be accounted for using the same accounting policies that applied at the date of transition to FRS 102. Specifically, the finance debtor is accounted for as a financial asset at amortised cost using the effective interest rate method, whereby the asset related unitary charge is allocated between repayment of the finance debtor and finance income at the property specific rate.

**Subordinated debt**

Subordinated debt is debt which ranks after other creditors if the Company falls into liquidation. Senior debt owed to Dexia Credit Local will take priority in these circumstances.

**2. Operating profit**

The operating profit is arrived at after charging:

	2022 £'000	2021 £'000
Auditor remuneration – audit services	<u>1</u>	<u>1</u>

No non-audit services were provided to the Company during the period (2021: Nil).

**3. Directors' emoluments and employee information**

All of the Directors receive salaries in their capacity as employees of the ultimate parent undertaking, Sanctuary Housing Association. Consequently, any expenses payable are also borne by the ultimate parent undertaking as they are incidental to their services provided to other Sanctuary Group companies.

The Company has no employees (2021: none).

**4. Interest receivable and similar income**

	2022 £'000	2021 £'000
Interest receivable in respect of finance debtor	852	890
Gain on financial liabilities measured at fair value through profit and loss	<u>1,329</u>	<u>667</u>
	<u><b>2,181</b></u>	<u><b>1,557</b></u>

**ASK (Greenwich) Limited****Notes to the Financial Statements for the year ended 31 March 2022 continued****5. Interest payable and similar charges**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Interest payable on external loans	139	644
Amortisation of issue costs	9	9
Interest payable on subordinated debt	582	145
	<u><b>730</b></u>	<u><b>798</b></u>

**6. Tax on profit on ordinary activities****(a) Analysis of tax charge in the year:**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Current tax:		
Tax on profit for the year	-	-
Deferred tax:		
Origination and reversal of temporary differences (note 11)	208	83
Increase in tax rate (note 11)	79	-
	<u><b>287</b></u>	<u><b>83</b></u>
<b>Total tax charge</b>	<u><b>287</b></u>	<u><b>83</b></u>

**(b) Factors affecting the tax charge in year:**

The tax charge for the year is lower (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Profit before tax	1,978	1,265
Profit before tax multiplied by the standard rate of corporation tax in the UK 19% (2021: 19%)	376	240
Effects of:		
Capital element of unitary charge	131	126
Impact of tax rate changes	79	-
Group relief claimed for nil consideration	-	(43)
Gift aid	(299)	(240)
<b>Total tax charge for the year</b>	<u><b>287</b></u>	<u><b>83</b></u>

The Company has no unutilised tax losses carried forward.

**ASK (Greenwich) Limited****Notes to the Financial Statements for the year ended 31 March 2022 continued****6. Tax on profit on ordinary activities (continued)****(c) Factors affecting future tax charges:**

The Finance Act 2021 was substantively enacted on 24 May 2021. Following enactment, the rate of corporation tax will remain at 19 per cent for 2023 but will increase to a main rate of 25 per cent for profits over £250,000 from April 2023. Companies with profits below £50,000 will be subject to a small profits rate of 19 per cent, while profits between £50,000 and £250,000 will be subject to corporation tax at the main rate reduced by a marginal relief, providing a gradual increase in the effective corporation tax rate.

Gift Aid will be paid over to the Company's ultimate parent undertaking, Sanctuary Housing Association, by 31 December 2022.

**7. Debtors: amounts falling due within one year**

	2022 £'000	2021 £'000
Prepayments and accrued income	4	4
Trade Debtors	-	1,149
Finance debtor	996	920
	<u>1,000</u>	<u>2,073</u>

The finance debtor will be repaid in accordance with the Company's financial model over the period March 2005 to September 2034. The finance debtor attracts interest at a fixed rate of 6.63%.

**8. Debtors: amounts falling due after more than one year**

	2022 £'000	2021 £'000
Finance debtor	10,308	11,397
	<u>10,308</u>	<u>11,397</u>

The finance debtor will be repaid in accordance with the Company's financial model over the period March 2005 to September 2034. The finance debtor attracts interest at a fixed rate of 6.63%.

**9. Creditors: amounts falling due within one year**

	2022 £'000	2021 £'000
Bank loans and overdrafts	828	842
Amounts owed to immediate parent undertaking	102	112
Amounts owed to ultimate parent undertaking	2,610	3,329
Accruals and deferred income	312	227
	<u>3,852</u>	<u>4,510</u>

Bank loans and overdrafts are shown net of unamortised issue costs of £9,000 (2021: £9,000).

The amounts owed to the immediate parent undertaking relate entirely to unsecured subordinated debt, of which £69,000 (2021: £72,000) is interest payable.

The amounts owed to the ultimate parent undertaking are trading in nature and repayable on demand and relate to taxation paid on behalf of the Company by the ultimate parent company and gift aid payable to the ultimate parent company. These amounts are non interest bearing and are unsecured.

**ASK (Greenwich) Limited****Notes to the financial statements for the year ended 31 March 2022 continued****10. Creditors: amounts falling due after more than one year**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Bank loans and overdrafts	8,167	9,004
Unamortised issue costs	(77)	(85)
Amounts owed to immediate parent undertaking	1,024	1,057
	<u><b>9,114</b></u>	<u><b>9,976</b></u>

The amounts owed to immediate parent undertaking relate entirely to unsecured subordinated debt. The loan facility, granted by Dexia Credit Local, is secured on the assets of the Company. The loan facility has been fully drawn down and £9,004,000 was outstanding at 31 March 2022 (31 March 2021: £9,855,000).

The loan facility and subordinated debt are repayable in instalments from March 2005 to September 2031 and March 2033 respectively. The loan facility and subordinated debt are repayable as follows:

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Within one year	870	891
In more than one but less than two years	432	870
In more than two years but less than five years	2,221	1,621
In more than five years	6,538	7,570
	<u><b>10,061</b></u>	<u><b>10,952</b></u>

Interest is charged on amounts drawn under the loan facility based on floating SONIA (LIBOR in the previous financial period). The Company has entered into an interest hedging agreement to be applied to the expected future borrowings on the facility, which fixes the interest rate at 5.99% until September 2031.

**11. Deferred tax****Deferred tax liability**

	<b>£'000</b>
As at 1 April 2020	42
Origination and reversal of temporary differences	(83)
Deferred tax liability as at 31 March 2021	<u>(41)</u>
As at 1 April 2021	(41)
Origination and reversal of temporary differences	(208)
Increase in tax rate to 25%	(79)
Deferred tax liability as at 31 March 2022	<u><u>(328)</u></u>

The balance at 31 March 2022 relates to:

	<b>£'000</b>
Difference between accumulated depreciation and amortisation and capital allowances	(699)
Other timing differences	371
	<u><u>(328)</u></u>

Other timing differences relate to an election to disregard for taxation purposes the effects of fair value movements through the Profit and Loss Account of the Interest Rate Swap derivative. As a result of this election a temporary difference has arisen, leading to recognition of a deferred tax liability. The derivative financial instrument was drawn under a facility agreement in 2002 and expires on 30 September 2031.

**ASK (Greenwich) Limited****Notes to the financial statements for the year ended 31 March 2022 continued****12. Derivative financial instruments****Fair value of derivative liabilities**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Interest rate swap	<u>1,485</u>	<u>2,814</u>

The derivative financial instrument represents the fair value of an interest rate swap drawn under a facility agreement dated September 2002. This was put in place to hedge the interest rate risk arising from the loan facility granted by Dexia Credit Local.

**13. Share Capital**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
15,044 (2021: 15,044) ordinary shares of £1 each	<u>15</u>	<u>15</u>

The share capital is authorised, allotted and fully paid.

**14. Commitments**

Under the terms of contracts with Sanctuary Care Limited and Kier Facilities Services Limited, both dated 27 September 2002, the Company is committed to annual payments, before indexation, of £5,182,000 and £180,000 respectively in respect of services to be provided during the lease period.

Payments, after indexation, due within 12 months total £8,648,000 and £416,000 respectively (2021: £7,996,000 and £384,000). Annual payments will continue to increase in line with RPIX in subsequent years.

**15. Ultimate parent undertaking and controlling party**

The ultimate parent undertaking and controlling party is Sanctuary Housing Association, being the smallest and largest group to consolidate these financial statements, registered in England as a Registered Society (Number 19059R) and with The Regulator of Social Housing (Number L0247). A copy of the Group financial statements can be obtained from Sanctuary Housing Association, Chamber Court, Castle Street, Worcester, WR1 3ZQ.

**16. Post Balance Sheet events**

There are no post balance sheet events to report.