

NEW CENTURY CARE (CATERHAM) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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NEW CENTURY CARE (CATERHAM) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021**

DIRECTORS:

Ms E C Gilvear
J S Godden
K J G Hillen
Ms R K Murray

REGISTERED OFFICE:

Minton Place
Victoria Street
Windsor
SL4 1EG

REGISTERED NUMBER:

05295038 (England and Wales)

AUDITORS:

Keelings Limited
Statutory Auditors, Chartered Tax Advisers
and Chartered Certified Accountants
Broad House
The Broadway
Old Hatfield
Hertfordshire
AL9 5BG

NEW CENTURY CARE (CATERHAM) LIMITED (REGISTERED NUMBER: 05295038)

**BALANCE SHEET
31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	4		3,601,215		3,638,926
CURRENT ASSETS					
Debtors	5	1,498,193		1,791,023	
Cash at bank and in hand		<u>21,986</u>		<u>48,198</u>	
		1,520,179		1,839,221	
CREDITORS					
Amounts falling due within one year	6	<u>143,300</u>		<u>954,903</u>	
NET CURRENT ASSETS			<u>1,376,879</u>		<u>884,318</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,978,094		4,523,244
CREDITORS					
Amounts falling due after more than one year	7		(1,891,112)		(1,711,207)
PROVISIONS FOR LIABILITIES			<u>(33,717)</u>		<u>(26,347)</u>
NET ASSETS			<u>3,053,265</u>		<u>2,785,690</u>
CAPITAL AND RESERVES					
Called up share capital			1		1
Revaluation reserve			890,571		890,571
Retained earnings			<u>2,162,693</u>		<u>1,895,118</u>
			<u>3,053,265</u>		<u>2,785,690</u>

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

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 29 December 2022 and were signed on its behalf by:

J S Godden - Director

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

1. STATUTORY INFORMATION

New Century Care (Caterham) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Accounting convention

These financial statements have been prepared in accordance with Financial Reporting Standard 102 ('FRS 102'), the Financial Reporting Standard applicable in the UK and the Republic of Ireland, the Companies Act 2006 and the Companies (Revision of Defective Accounts and Reports) Regulations 2008. As the company is small, the disclosure requirements of section 1A of FRS 102 have been adopted, other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in Pounds Sterling ('£'), which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

Based on current and projected performance, the directors have a reasonable expectation that the company will continue to operate and meet its liabilities as they fall due for at least the next twelve months. Accordingly, these financial statements are again prepared on the going concern basis.

Related party exemption

The company has taken advantage of the exemption provided by FRS 102 not to disclose related party transactions with group members.

Significant judgements and estimates

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. These estimates and judgements are made in the light of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance. However, actual results may differ from those anticipated.

In the preparation of these financial statements, the company's critical accounting judgements and estimates are in respect of the recoverability of group debts, impairment of assets, depreciation and the provision for doubtful debts. Details of these judgements and estimates are described in the relevant accounting policy, the notes to the financial statements and below:

- The recoverability of intra-group loans: factors taken into consideration include the amount owed, the state of the borrower's balance sheet, other demands on the borrower's finances, and the current and projected performance of the borrower.

- Impairment of the company's tangible fixed assets: factors taken into consideration include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

- Depreciation of tangible fixed assets: these are depreciated over their useful lives, taking into account residual values. The useful lives and residual values are assessed annually and depend on a number of factors. As regards useful lives, considerations include technological innovation and maintenance programmes, while residual value assessments review matters such as future market conditions, the remaining life of the asset and projected disposal values.

- Doubtful debts: a provision is made when the directors consider that collection of the full amount due is no longer probable. Their assessment is based on the age of the debt, the likely success of any action taken to recover it and the costs of such action.

Turnover

The company operates a care home for up to 44 older people who require residential or nursing care or who are living with dementia. Turnover represents fees in respect of these residents and is recognised for each period of occupancy within the accounting period. These fees are exempt from Vat and so the company is not Vat-registered.

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

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently stated at cost or their valuation as at 1 January 2015, less accumulated depreciation and any accumulated impairment losses. Where their valuation is used, this is treated as their deemed cost (as permitted by FRS 102's transition provisions).

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Buildings - 2% on cost

Plant and machinery etc - 15% on cost

Land and buildings are treated as separate assets and accounted for separately, even though they have been acquired together. Land is considered to have an unlimited useful life and is therefore not depreciated. Buildings are depreciated in line with the company's depreciation policy.

Government grants

Government grants have been accounted for under the accrual model, recognised as other income in the period to which they relate. There were no unfulfilled conditions or contingencies attached to the grants.

Financial assets

Financial assets are initially measured at transaction price, including transaction costs, and subsequently at amortised cost.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

An equity instrument is a contract which evidences a residual interest in an asset after deducting all liabilities. Equity comprises the following:

- share capital, which represents the nominal value of equity shares;
- profit and loss reserves, which represent retained profits; and
- the revaluation reserve, which represents the cumulative gains less losses arising on the revaluation of fixed assets.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year-end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter. The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Impairment of fixed assets

At the end of each reporting period, the directors review the carrying amounts of the company's tangible assets to determine whether there is any indication that those assets have suffered impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the directors estimate the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount and an impairment loss is recognised immediately in the Profit and Loss Account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the lower of:

- the revised estimate of its recoverable amount; and
- the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

A reversal of an impairment loss is recognised immediately in the Profit and Loss Account.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 65 (2020 - 64) .

4. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 January 2021	4,332,969	542,286	4,875,255
Additions	-	26,257	26,257
At 31 December 2021	<u>4,332,969</u>	<u>568,543</u>	<u>4,901,512</u>
DEPRECIATION			
At 1 January 2021	839,061	397,268	1,236,329
Charge for year	17,822	46,146	63,968
At 31 December 2021	<u>856,883</u>	<u>443,414</u>	<u>1,300,297</u>
NET BOOK VALUE			
At 31 December 2021	<u>3,476,086</u>	<u>125,129</u>	<u>3,601,215</u>
At 31 December 2020	<u>3,493,908</u>	<u>145,018</u>	<u>3,638,926</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

4. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under finance leases are as follows:

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 January 2021 and 31 December 2021	<u>4,332,969</u>	<u>7,353</u>	<u>4,340,322</u>
DEPRECIATION			
At 1 January 2021	839,061	1,026	840,087
Charge for year	<u>17,822</u>	<u>1,103</u>	<u>18,925</u>
At 31 December 2021	<u>856,883</u>	<u>2,129</u>	<u>859,012</u>
NET BOOK VALUE			
At 31 December 2021	<u>3,476,086</u>	<u>5,224</u>	<u>3,481,310</u>
At 31 December 2020	<u>3,493,908</u>	<u>6,327</u>	<u>3,500,235</u>

5. DEBTORS

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	90,556	41,051
Amounts owed by group undertakings	-	1,716,836
Other debtors	<u>12,314</u>	<u>33,136</u>
	<u>102,870</u>	<u>1,791,023</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>1,395,323</u>	<u>-</u>
Aggregate amounts	<u>1,498,193</u>	<u>1,791,023</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Finance leases (see note 8)	1,867	1,853
Amounts owed to group undertakings	-	742,125
Taxation and social security	37,610	82,070
Other creditors	<u>103,823</u>	<u>128,855</u>
	<u>143,300</u>	<u>954,903</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Finance leases (see note 8)	1,705,697	1,711,207
Amounts owed to group undertakings	<u>185,415</u>	<u>-</u>
	<u>1,891,112</u>	<u>1,711,207</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

	2021 £	2020 £
Amounts falling due in more than five years:		
Repayable by instalments		
Finance leases	<u>1,701,988</u>	<u>1,705,610</u>

8. LEASING AGREEMENTS

Minimum lease payments under finance leases fall due as follows:

	Finance leases 2021 £	2020 £
Gross obligations repayable:		
Within one year	61,280	61,266
Between one and five years	241,211	243,051
In more than five years	<u>8,527,605</u>	<u>8,531,154</u>
	<u>8,830,096</u>	<u>8,835,471</u>
Finance charges repayable:		
Within one year	59,413	59,413
Between one and five years	237,502	237,454
In more than five years	<u>6,825,617</u>	<u>6,825,544</u>
	<u>7,122,532</u>	<u>7,122,411</u>
Net obligations repayable:		
Within one year	1,867	1,853
Between one and five years	3,709	5,597
In more than five years	<u>1,701,988</u>	<u>1,705,610</u>
	<u>1,707,564</u>	<u>1,713,060</u>

In 2019, the company entered into a sale and leaseback arrangement in respect of property recognised in these accounts. As a result, a finance lease over 150 years commenced on 24 May 2019. The terms of the lease include an option to repurchase the property for £1 at the end of the lease.

9. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Finance leases	<u>1,707,564</u>	<u>1,713,060</u>

10. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Domenico Maurello (Senior Statutory Auditor)
for and on behalf of Keelings Limited

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

11. CHARGE OVER ASSETS

The Company had guaranteed a bank loan of £12.5m made to the immediate parent of its immediate parent to help finance the purchase of its immediate parent in 2019; in support of this guarantee, the bank had a fixed and floating charge over the assets of the company.

On the sale of the Company's immediate parent after the balance sheet date (see Note 12), the bank loan was novated to GHC Bidco Limited ('Bidco'), a subsidiary of Gresham House plc and the purchaser of the Company's immediate parent, with the existing security remaining in place. Additionally, in order to fund the balance of the purchase price, Bidco's immediate parent company issued Loan Notes totalling £8.115m; these were also guaranteed by the Company and supported by a second fixed and floating charge over its assets.

Thus the total amount of debt belonging to other group companies that has been secured by the Company is £20.615m.

12. POST BALANCE SHEET EVENT

On 20 January 2022, the Company's parent company, Custodes Acqco Limited, was acquired from UK Healthcare Enterprise 1 Limited by GHC Bidco Limited, a subsidiary of Gresham House plc.

To facilitate the sale, it was preceded by a reorganisation of intra-group debt, which involved the assignment to Custodes Acqco Limited of a debt of £1.395m owed to the Company by UK Healthcare Enterprise 1 Limited (resulting in Custodes Acqco Limited owing the £1.395m to the Company).

13. MOST PROXIMATE PARENT COMPANY PREPARING CONSOLIDATED ACCOUNTS

The Company's immediate parent is Custodes Acqco Limited, which prepares consolidated accounts; its registered office is at 5th Floor, 167-169 Great Portland Street, London, W1W 5PF.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.