

ASHLEY GRANGE NURSING HOME LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

ASHLEY GRANGE NURSING HOME LIMITED

COMPANY INFORMATION

Directors	J L Gavin (appointed 2 November 2020) S F Gavin (appointed 2 November 2020) A H Smith (appointed 2 November 2020) T S Abrahams (resigned 2 November 2020) M T R Abrahams (resigned 2 November 2020) I C De La Haye (resigned 2 November 2020) P J De La Haye (resigned 2 November 2020)
Company secretary	Mr T Abrahams (resigned on 2 November 2020)
Registered number	06531137
Registered office	2nd Floor, Clifton House, Bunnian Place England Basingstoke RG21 7JE
Independent auditor	James Cowper Kreston Chartered Accountants and Statutory Auditor Reading Bridge House George Street Reading Berkshire RG1 8LS

ASHLEY GRANGE NURSING HOME LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 22

ASHLEY GRANGE NURSING HOME LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Introduction

The following report sets out the strategic view and associated risks for Ashley Grange Nursing Home Limited as at 31 March 2021.

Business review

Turnover for the year from the company's nursing and residential care home decreased by 0.5% over the previous year to £2,636,090 (2020: £2,650,065).

Staff costs increased by 16% and represented 65.4% of turnover during the year (2020: 55.6%). The operating profit as a percentage of turnover was 11.8% (2020: 20.1%).

Principal risks and uncertainties

The following principal risks and uncertainties for the company have been identified:

Regulatory environment

The company's activities are subject to a high level of regulation and inspection by the Care Quality Commission. The risk from the negative effects of any non-compliance is the impact which it may have on the company's reputation and profits. Inspections of the company's care homes take place on a regular basis. The risks are mitigated by a strict management reporting regime that is part of a rigorous process of internal control over quality and compliance, along with evolving policies and practices that take into account changes in regulatory obligations.

Competition

Competition comes from the growing number of other care homes, including not-for-profit organisations, and domiciliary care providers. This is driven by the increasing size of the UK's elderly population and demographics which indicate that demand will continue to increase in the longer term. The risk of competition is mitigated by a tight focus on maintaining quality standards and adherence to the Group's core values of Care, Comfort and Companionship.

Staffing

The recruitment and retention of suitably qualified care staff is fundamental to the ongoing successful running of any business in the care sector. As Covid lockdown restrictions are eased in other sectors, such as hospitality, the market for staff is becoming increasingly competitive. As part of the process of managing this risk, the Group has implemented a strategy to ensure that it exceeds the National Minimum Living Wage in a financially responsible way. Risk is also mitigated through the adoption of a proactive recruitment strategy, a comprehensive induction process, and high quality training and development programmes.

Financial risks

The principal financial risk faced by the company is liquidity risk. However, the company is trading profitably and maintains a positive cash balance. In addition, regular cash flow forecasts are prepared which take into account the predictable operational revenue and cost streams.

ASHLEY GRANGE NURSING HOME LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Financial key performance indicators

The key performance indicators for the company have been identified as follows:

	2021	2020	Change	
Turnover	£2,636,090	£2,650,065	-0.5%	
Occupancy	97.9%	90.7%	7.9%	
Adjusted Operating profit	£310,539	£533,324	-41.8%	
Adjusted operating profit % of turnover	11.8%	20.1%		
Staff cost as % of turnover	65.4%	55.9%		

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

.....
S F Gavin

Director

Date: 25 August 2021

ASHLEY GRANGE NURSING HOME LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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

Principal activity

The principal activity of the company continued to be that of the operation of a residential care and nursing home.

Directors

The directors who served during the year were:

J L Gavin (appointed 2 November 2020)
S F Gavin (appointed 2 November 2020)
A H Smith (appointed 2 November 2020)
T S Abrahams (resigned 2 November 2020)
M T R Abrahams (resigned 2 November 2020)
I C De La Haye (resigned 2 November 2020)
P J De La Haye (resigned 2 November 2020)

Results and dividends

The profit for the year, after taxation, amounted to £238,001 (2020 - £397,022).

During the year a dividend of £117,000 was paid (2020: £NIL).

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

Auditor

The auditor, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

ASHLEY GRANGE NURSING HOME LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

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.

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

.....
S F Gavin

Director

Date: 25 August 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASHLEY GRANGE NURSING HOME LIMITED

Opinion

We have audited the financial statements of Ashley Grange Nursing Home Limited (the 'Company') for the year ended 31 March 2021, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes, 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).

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.

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 United Kingdom, including the Financial Reporting Council'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.

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 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 contained within the Annual Report. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASHLEY GRANGE NURSING HOME LIMITED (CONTINUED)

Opinion 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 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.

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 strategic report or 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASHLEY GRANGE NURSING HOME LIMITED (CONTINUED)

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.

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:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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

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.

Alexander Peal BSc (Hons) FCA DChA (senior statutory auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

Reading Bridge House

George Street

Reading

Berkshire

RG1 8LS

2 September 2021

ASHLEY GRANGE NURSING HOME LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Turnover	4	2,636,090	2,650,065
Cost of sales		(1,714,359)	(1,512,789)
Gross profit		921,731	1,137,276
Administrative expenses		(721,093)	(610,743)
Other operating income	5	109,901	6,791
Operating profit	6	310,539	533,324
Interest receivable and similar income	9	-	291
Interest payable and similar expenses	10	(16,711)	(30,610)
Profit before tax		293,828	503,005
Tax on profit	11	(55,827)	(105,983)
Profit for the financial year		238,001	397,022

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 11 to 22 form part of these financial statements.

ASHLEY GRANGE NURSING HOME LIMITED
REGISTERED NUMBER: 06531137

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	5,626,994	7,288,999
		<u>5,626,994</u>	<u>7,288,999</u>
Current assets			
Debtors: amounts falling due within one year	14	153,589	119,701
Cash at bank and in hand	15	178,876	610,208
		<u>332,465</u>	<u>729,909</u>
Creditors: amounts falling due within one year	16	(474,530)	(1,752,572)
Net current liabilities		<u>(142,065)</u>	<u>(1,022,663)</u>
Total assets less current liabilities		<u>5,484,929</u>	<u>6,266,336</u>
Creditors: amounts falling due after more than one year		(1,585,226)	(880,421)
Provisions for liabilities			
Deferred tax	19	(86,685)	(64,814)
		<u>(86,685)</u>	<u>(64,814)</u>
Net assets		<u><u>3,813,018</u></u>	<u><u>5,321,101</u></u>
Capital and reserves			
Called up share capital	20	2	2
Revaluation reserve		-	1,629,084
Profit and loss account		3,813,016	3,692,015
		<u><u>3,813,018</u></u>	<u><u>5,321,101</u></u>

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

.....
S F Gavin
Director

Date: 25 August 2021

The notes on pages 11 to 22 form part of these financial statements.

ASHLEY GRANGE NURSING HOME LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 April 2020	2	1,629,084	3,692,015	5,321,101
Profit for the year	-	-	238,001	238,001
Revaluation of Freehold property	-	(1,629,084)	-	(1,629,084)
Dividend	-	-	(117,000)	(117,000)
At 31 March 2021	2	-	3,813,016	3,813,018

The notes on pages 11 to 22 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 April 2019	2	1,629,084	3,294,993	4,924,079
Profit for the year	-	-	397,022	397,022
At 31 March 2020	2	1,629,084	3,692,015	5,321,101

The notes on pages 11 to 22 form part of these financial statements.

ASHLEY GRANGE NURSING HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Ashley Grange Nursing Home Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2nd Floor, Clifton House, Bunnian Place, Basingstoke, England, RG21 7JE.

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 judgment 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 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Hartford Care Group Limited as at 31 March 2021 and these financial statements may be obtained from the registrar of companies.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.4 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss 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.

2.7 Borrowing costs

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

2.8 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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 profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

2.10 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.

Depreciation 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 property	-	Held at valuation
Motor vehicles	-	20% Straight line
Fixtures and fittings	-	33% Straight line
Computer equipment	-	50% Straight line

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 profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.11 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 balance sheet 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 profit or loss.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.16 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Tangible fixed assets (see note 12)

Tangible fixed assets 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 a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

Taxation (see note 11)

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 11.

4. Turnover

	2021 £	2020 £
United Kingdom	2,636,090	2,650,065
	<u>2,636,090</u>	<u>2,650,065</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2021 £	2020 £
Other operating income	109,901	6,791
	<u>109,901</u>	<u>6,791</u>

ASHLEY GRANGE NURSING HOME LIMITED

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

6. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Fees payable to the company's auditor for the audit of the company's financial statements	5,780	12,600
Depreciation of owned tangible fixed assets	18,327	23,997
Other operating lease rentals	<u>10,678</u>	<u>6,410</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	1,652,147	1,335,359
Social security costs	45,413	119,816
Cost of defined contribution scheme	26,114	25,463
	<u>1,723,674</u>	<u>1,480,638</u>

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

	2021 No.	2020 No.
Staff	<u>66</u>	<u>66</u>

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	-	133,630
Company contributions to defined contribution pension schemes	-	2,582
	<u>-</u>	<u>136,212</u>

ASHLEY GRANGE NURSING HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Interest receivable

	2021 £	2020 £
Other interest receivable	-	291
	<u>-</u>	<u>291</u>

10. Interest payable and similar expenses

	2021 £	2020 £
Other loan interest payable	16,711	30,610
	<u>16,711</u>	<u>30,610</u>

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	33,956	103,674
	<u>33,956</u>	<u>103,674</u>
Deferred tax		
Origination and reversal of timing differences	21,871	2,309
	<u>21,871</u>	<u>2,309</u>
Taxation on profit on ordinary activities	<u>55,827</u>	<u>105,983</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. Taxation (continued)

Factors affecting tax charge for the year

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

	2021 £	2020 £
Profit on ordinary activities before tax	<u>293,828</u>	<u>503,005</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	33,597	95,571
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	22,230	10,412
Permanent capital allowances in excess of depreciation	-	(2,309)
Deferred tax	-	2,309
Total tax charge for the year	<u>55,827</u>	<u>105,983</u>

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the tax expense for the period by £10,723 and increase the deferred tax liability by £27,374.

12. Dividends

	2021 £	2020 £
Dividends analysis - user input	117,000	-
	<u>117,000</u>	<u>-</u>

ASHLEY GRANGE NURSING HOME LIMITED

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

13. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 April 2020	7,250,000	51,555	1,500	67,537	8,378	7,378,970
Additions	-	-	-	96,205	10,831	107,036
Disposals	-	-	(1,500)	-	(2,622)	(4,122)
Transfers between classes	-	(51,555)	-	51,555	-	-
Revaluations	(1,750,000)	-	-	-	-	(1,750,000)
At 31 March 2021	5,500,000	-	-	215,297	16,587	5,731,884
Depreciation						
At 1 April 2020	-	38,525	1,415	44,546	5,484	89,970
Charge for the year on owned assets	-	-	-	16,911	1,416	18,327
Disposals	-	-	(1,415)	-	(1,992)	(3,407)
Transfers between classes	-	(38,525)	-	38,525	-	-
At 31 March 2021	-	-	-	99,982	4,908	104,890
Net book value						
At 31 March 2021	5,500,000	-	-	115,315	11,679	5,626,994
At 31 March 2020	7,250,000	13,030	85	22,991	2,893	7,288,999

Land and buildings with a carrying amount of £5,500,000 were revalued at an effective date of 2 October 2020 by independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Freehold	5,500,000	7,250,000
	<u>5,500,000</u>	<u>7,250,000</u>

ASHLEY GRANGE NURSING HOME LIMITED

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

14. Debtors

	2021	2020
	£	£
Trade debtors	119,519	88,927
Other debtors	920	2,660
Prepayments and accrued income	33,150	28,114
	<u>153,589</u>	<u>119,701</u>

15. Cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	178,876	610,208
	<u>178,876</u>	<u>610,208</u>

16. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Bank loans	-	92,458
Trade creditors	137,838	100,296
Corporation tax	39,887	103,674
Other creditors	42,911	1,308,395
Accruals and deferred income	253,894	147,749
	<u>474,530</u>	<u>1,752,572</u>

17. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Bank loans	-	880,421
Amounts owed to group undertakings	1,585,226	-
	<u>1,585,226</u>	<u>880,421</u>

The Company's loan from Santander UK PLC was repaid in full on 2 November 2020. At 31 March 2020 the loan was £972,880 of which £880,421 was repayable after more than one year. The interest rate on the loan was 3% to constitute a commercial rate. The bank loan was secured by a fixed charge on the freehold property, by fixed and floating charge of the remaining assets and joint and several guarantees of the directors, limited to the drawdown value of the loan.

ASHLEY GRANGE NURSING HOME LIMITED

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

18. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	-	92,458
	<u>-</u>	<u>92,458</u>
Amounts falling due 1-5 years		
Bank loans	-	369,831
	<u>-</u>	<u>369,831</u>
Amounts falling due after more than 5 years		
Bank loans	-	510,590
	<u>-</u>	<u>510,590</u>
	<u>-</u>	<u>972,879</u>

19. Deferred taxation

	2021 £	2020 £
At beginning of year	(64,814)	(62,505)
Charged to profit or loss	(21,871)	(2,309)
At end of year	<u>(86,685)</u>	<u>(64,814)</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(86,776)	(64,814)
Short term timing differences	91	-
	<u>(86,685)</u>	<u>(64,814)</u>

ASHLEY GRANGE NURSING HOME LIMITED

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

20. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
2 (2020 - 2) Ordinary shares of £1.00 each	<u>2</u>	<u>2</u>

21. Pension commitments

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Charge to profit or loss in respect of defined contribution schemes is £26,114 (2020: £25,463)

22. Commitments under operating leases

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	12,256	3,396
Later than 1 year and not later than 5 years	38,836	2,830
Later than 5 years	12,136	-
	<u>63,228</u>	<u>6,226</u>

23. Related party transactions

The company has taken advantage of the exemption available to it under FRS 102 not to disclose transactions with other group companies where all members are 100% owned by the group on the grounds that consolidated financial statements are prepared by the ultimate parent company.

24. Controlling party

The ultimate parent Company and the smallest and largest group in which the Company's results are consolidated is Hartford Care Group Limited, a Company incorporated in England and Wales. The consolidated accounts of Hartford Care Group Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

There is no one ultimate controlling party.

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.