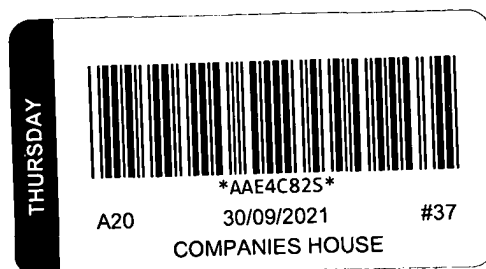


Registered number: 07228696

BRUCHMEN NO.5 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



BRUCHMEN NO.5 LIMITED

COMPANY INFORMATION

Directors	Mr Mark H Filer L.D.C. Corporate Director No. 3 Limited L.D.C. Corporate Director No. 4 Limited
Company secretary	Law Debenture Corporate Services Limited
Registered number	07228696
Registered office	8th Floor 100 Bishopsgate London EC2N 4AG

BRUCHMEN NO.5 LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 17

BRUCHMEN NO.5 LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

Results and dividends

The loss for the year, after taxation, amounted to £293,859 (*period to 31 December 2019: profit of £800,863*).

Dividends of £Nil were paid during the year (*period to 31 December 2019: £Nil*).

Directors

The directors who served during the year were:

Mr Mark H Filer
L.D.C. Corporate Director No. 3 Limited
L.D.C. Corporate Director No. 4 Limited

Uncertainties arising from COVID-19

The directors have assessed the uncertainties arising from COVID-19 facing the company and challenged themselves as to the impact on estimates made within these financial statements including on the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements.

The short-term impact on the operational care home, being the principal underlying asset of the company, was initially positive. However, as was common with the care home sector as a whole, the initial positive impact was followed by a period of declining occupancy.

Now that the impact of COVID-19, on the country generally and the care home sector more specifically, has begun to lessen, it is the belief of the directors that this will have a positive impact on the future trading results of the operational care homes (that are leased to a third party tenant) which will have a subsequent positive impact on the investment values of the homes.

The directors specifically comment on the impact on their going concern assessment on page 10.

BRUCHMEN NO.5 LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and 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 accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

The directors confirm that:

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

Auditors

The auditors, Carpenter Box, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

BRUCHMEN NO.5 LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



**Mark Filer for and on behalf of
L.D.C. Corporate Director No. 3 Limited
Director**

Date: 29 September 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRUCHMEN NO.5 LIMITED

Opinion

We have audited the financial statements of Bruchmen No.5 Limited (the 'company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 December 2020 and of its loss 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements which describes the impact of the continued capitalisation of interest charges that were unable to be paid during the current accounting period and the impact of COVID-19. The company is reliant on the performance of the tenant and the ongoing support of the group lenders (who are the shareholders in the company's ultimate holding company), whilst the longer-term impact of COVID-19 continues to adversely impact on the care home sector. There are no third-party loans within the company. The note sets out the directors' assessment of the company's going concern position. Our opinion is not modified in respect of this matter. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

Who we are reporting to

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 auditors' 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.

Other information

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRUCHMEN NO.5 LIMITED (CONTINUED)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 2, 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 AUDITORS' REPORT TO THE MEMBERS OF BRUCHMEN NO.5 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 Auditors' 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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- Obtaining an understanding of the legal and regulatory framework that the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements and operations;
- Obtaining an understanding of the company's policies and procedures on fraud risks, including knowledge of any actual, suspected or alleged fraud
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud through our knowledge and understanding of the company and our sector-specific experience.

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud. We are also required to perform specific procedures to respond to the risk of management override. As a result of performing the above, we identified the following areas as those most likely to have an impact on the financial statements: the valuation of investment properties and compliance with the UK Companies Act.

In addition to the above, our procedures to respond to risks identified included the following:

- Making enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of the board and senior management.
- Challenging assumptions and judgements made by management in their significant accounting estimates, and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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 Auditors' report.



Christopher Reeves FCCA, Senior Statutory Auditor
for and on behalf of Carpenter Box
Statutory Auditor, Chartered Accountants, Worthing
Carpenter Box is a trading name of Carpenter Box Limited

Date: 29/9/21

BRUCHMEN NO.5 LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

		Year ended 31 December 2020	Period ended 31 December 2019
	Note	£	£
Turnover		51,695	196,739
Administrative expenses	4	(223,643)	(65,791)
Operating (loss)/profit		(171,948)	130,768
Fair value gains and losses on investment properties		-	877,490
Interest receivable and similar income		-	3
Interest payable and expenses		(121,901)	(183,805)
(Loss)/profit before tax		(293,849)	824,456
Tax on profit	7	(10)	(23,593)
(Loss)/profit for the year/period		<u>(293,859)</u>	<u>800,863</u>

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

There were no recognised gains and losses for either the 12 months to 31 December 2020 or the 18 months to 30 December 2019 other than those included in the Statement of Comprehensive Income.

There was no other comprehensive income for the year to 31 December 2020 (*period to 31 December 2019: £Nil*).

The notes on pages 10 to 17 form part of these financial statements.

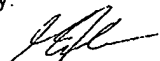
BRUCHMEN NO.5 LIMITED
REGISTERED NUMBER:07228626

BALANCE SHEET
AS AT 31 DECEMBER 2020

		31 December 2020	31 December 2019
	Note	£	£
Fixed assets			
Investment property	8	2,353,000	2,353,000
		<u>2,353,000</u>	<u>2,353,000</u>
Current assets			
Debtors: amounts falling due within one year	9	17,667	-
Cash at bank and in hand	10	24,468	3,938
		<u>42,135</u>	<u>3,938</u>
Creditors: amounts falling due within one year	11	(437,947)	(198,775)
		<u>(395,812)</u>	<u>(194,837)</u>
Net current liabilities		<u>(395,812)</u>	<u>(194,837)</u>
Total assets less current liabilities		<u>1,957,188</u>	<u>2,158,163</u>
Creditors: amounts falling due after more than one year	12	(1,702,326)	(1,609,442)
Net assets		<u><u>254,862</u></u>	<u><u>548,721</u></u>
Capital and reserves			
Called up share capital	14	278,202	278,202
Profit and loss account	13	(23,340)	270,519
		<u><u>254,862</u></u>	<u><u>548,721</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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


Mark Filer for and on behalf of
L.D.C. Corporate Director No. 3 Limited
Director

Date: 29 September 2021

The notes on pages 10 to 17 form part of these financial statements.

BRUCHMEN NO.5 LIMITED

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	278,202	270,519	548,721
Comprehensive income for the year			
Loss for the year	-	(293,859)	(293,859)
Total comprehensive income for the year	-	(293,859)	(293,859)
At 31 December 2020	278,202	(23,340)	254,862

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2018	278,202	(530,344)	(252,142)
Comprehensive income for the period			
Profit for the period	-	800,863	800,863
Total comprehensive income for the period	-	800,863	800,863
At 31 December 2019	278,202	270,519	548,721

The notes on pages 10 to 17 form part of these financial statements.

BRUCHMEN NO.5 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Bruchmen No.5 Limited is a private company limited by shares and incorporated in England and Wales, registration number 07228696. Its registered head office is located at 100 Bishopsgate, London, EC2N 4AG.

The principal activity of Bruchmen No.5 Limited continued to be collecting rent on a care home.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Going concern

As at 31 December 2020, the company had net current liabilities of £395,812 and this has been taken into account by the directors when considering the going concern position of the company.

The directors have considered the company's forecasts and projections taking account of reasonable possible changes in trading performance and consider that the company has adequate resources to continue business for the foreseeable future. The creditors due within one year consists of amounts owed to group undertakings, accruals and deferred income and corporation tax as set out in note 11. Aside from amounts owed to group undertakings, accruals and deferred income is the largest element and consists mainly of accrued interest on amounts owed to group companies.

During 2020, the investment property owned by the company (being a care home) was transitioned from the Four Seasons group following the failure of the tenant to pay rent for two consecutive quarters.

The costs of transitioning the home, which were significant, have been funded from the company's cash resources, intra group funding from other companies within the group together with the capitalisation of certain interest charges that fell due during the year. Payment of the interest charges recommenced in the second quarter of 2021. In terms of the loans due for repayment in 2022, discussions with the Lender have commenced and the current intention is that the repayment date of these loans will be extended beyond 2022.

The home, which has a strong underlying profitability, has been transitioned to a new operator on the basis of a market rent.

The uncertainty as to the future impact of the recent COVID-19 outbreak in particular has been considered as part of the company's adoption of the going concern basis.

BRUCHMEN NO.5 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

Going concern (continued)

There has been no impact on the activities of the company by the restrictions placed on it by the Government's 'lockdown' restrictions.

Whilst the directors have noted a downward trend in occupancy of the homes following the onset of the COVID-19 pandemic, the directors consider that the operational care home is well placed to manage this downturn and to gain market share once the market recovers. The directors are satisfied that the financial projections prepared to 31 December 2022 have a prudent assessment of the impact of the potential downturn embedded in them.

The directors have discussed the impact of COVID-19 on the financial position of the company with the principal creditors of the company who have confirmed their continued support to the company and the group of which it forms part.

In light of the above, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Accounting period

The previous period was for 18 months and therefore the current year's figures are not directly comparable to those of the prior period.

2.4 Turnover

All rents received were fixed as defined by the respective leases for the homes.

Turnover arises entirely within the United Kingdom.

2.5 Investment property

The Investment property is valued at fair value, being open market value. A professional valuation was not obtained in respect of values as at 31 December 2020.

For the investment property, the directors have assessed the value of the home by reference to the current rental income for the property and the robustness of the profitability levels for the home.

Details of the judgements and estimations used in the valuations are detailed at note 3.

2.6 Debtors

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

BRUCHMEN NO.5 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.7 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.8 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities. These consist of debtors due from group companies and trade creditors and loans and accrued interest due to banks. Creditors due within one year are measured at transaction price. Debtors are measured at transaction price less any impairment. Loans receivable and payable due after one year are recognised on an amortised cost basis.

The company has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS 102 to all of its financial instruments.

2.9 Creditors

Short term creditors are measured at the transaction price.

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.11 Interest income

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

2.12 Taxation

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.

BRUCHMEN NO.5 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Investment properties

The investment property is professionally valued on a periodic basis using a yield methodology, the last such valuation being in October 2015. Note that there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

Historically, when a professional valuation is not obtained, the directors have considered the valuation of the investment property in light of the rental streams from the home at the time of the assessment, discounted as necessary to take account of any uncertainty over the financial viability of the tenant company.

For the valuation as at 31 December 2020, this method has been adopted for valuing the home that was transitioned to a new permanent operator during the year.

Corporation Tax charge

For corporation tax purposes, the group of which the company is a part is subject to a number of restrictions on its interest deductibility.

The level of interest allowable is calculated by the company's tax advisors following a detailed review of the company's accounting records each year.

BRUCHMEN NO.5 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Administrative expenses

Included within administrative expenses for the 12 months to 31 December 2020 are bad debts arising from the non payment of rent on the company's properties of £34,028 (18 months to 31 December 2019: £35,735).

Furthermore, for the year to 31 December 2020, included with administrative expenses are costs of £97,878 which relate to the costs of placing the company's former tenants into administration and transitioning the investment properties to new operators (18 months to 31 December 2019: £Nil).

5. Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual financial statements totalled £670 (period to 31 December 2019: £384).

6. Directors' remuneration

	Year to 31 December 2020	18 months to 31 December 2019
	£	£
Amounts paid to third parties in respect of directors' services	<u>772</u>	<u>9,333</u>

There were no employees in the current year or comparative period.

7. Taxation

	Year to 31 December 2020	18 months to 31 December 2019
	£	£
Corporation tax		
Current tax on profits for the year/period	10	23,593
Total current tax	<u>10</u>	<u>23,593</u>
Taxation on profit on ordinary activities	<u>10</u>	<u>23,593</u>

BRUCHMEN NO.5 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	Year to 31 December 2020	18 months to 31 December 2019
	£	£
Profit on ordinary activities before tax	<u>(293,849)</u>	<u>824,456</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(55,831)	156,647
Effects of:		
Property valuation adjustment	-	(166,723)
Adjustments to interest	15,569	30,089
Rightsizing of historical provisions	10	3,580
Group relief	40,262	-
Total tax charge for the year/period	<u>10</u>	<u>23,593</u>

The adjustment to interest is in respect of the disallowance of part of the interest charge due to the restriction of interest to the de-minimis quantum allowed in calculating the corporation tax charge (period to 31 December 2019: 30% of total earnings before interest, taxes, depreciation and amortisation).

8. Investment property

	Freehold investment property
	£
Valuation	
At 31 December 2019 and 31 December 2020	<u>2,353,000</u>

The last external valuation was August 2015 and the directors have re-assessed this valuation as at 31 December 2020 as set out in note 2.5.

The historic cost of the freehold property was £2,784,000 (2019: £2,784,000).

BRUCHMEN NO.5 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Debtors

	31 December 2020	31 December 2019
	£	£
Trade debtors	<u>17,667</u>	<u>-</u>

10. Cash

	31 December 2020	31 December 2019
	£	£
Cash at bank	<u>24,468</u>	<u>3,938</u>

11. Creditors: Amounts falling due within one year

	31 December 2020	31 December 2019
	£	£
Corporation tax	20,023	20,013
Accruals and deferred income	44,343	26,422
Amounts owed to group undertakings	373,581	152,340
	<u>437,947</u>	<u>198,775</u>

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

	31 December 2020	31 December 2019
	£	£
Amounts owed to group undertakings	<u>1,702,326</u>	<u>1,609,442</u>

The intercompany debt consists of £1,038,374 (2019: £1,007,325) of Senior loan notes with a repayment date of 8 April 2022 and Junior loan notes of £663,952 (2019: £602,117) with a repayment date of 13 October 2022.

The borrowings of the parent companies (and other group companies) are secured by a charge over the investment properties of the company.

BRUCHMEN NO.5 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Reserves

Profit & loss account

Included in the profit and loss account is a non-distributable amount of £521,500 (*period to December 2019: £521,500*).

14. Share capital

	31 December 2020	31 December 2019
	£	£
Allotted, called up and fully paid		
278,202 (2019 – 278,202) Ordinary shares of £1.00 each	<u>278,202</u>	<u>278,202</u>

15. Ultimate parent undertakings and controlling party

The ultimate parent company is LDC (Nursing Homes) Holdco Limited, a company registered in Jersey.

16. Contingent liabilities

As part of the transition of the Core home to a new operator in 2020, the company committed to providing funding to the new operator on the occurrence of certain events, for example, capital expenditure being invested into the Core home.

The contingent liability for the company as at 31 December 2020 in respect of this funding was £119,231 (As at 31 December 2019: £Nil).