

**CHERRY BLOSSOM CARE HOME LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 22 DECEMBER 2021 TO 31 DECEMBER 2022**

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

CHERRY BLOSSOM CARE HOME LIMITED

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CHERRY BLOSSOM CARE HOME LIMITED

Company Information

Directors	M D M Davies H Jones
Registered office	1 Farnham Road Guildford GU2 4RG
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

CHERRY BLOSSOM CARE HOME LIMITED

Strategic Report for the Period from 22 December 2021 to 31 December 2022

The directors present their strategic report for the period from 22 December 2021 to 31 December 2022. The comparative period is from 1 January 2021 to 21 December 2021.

Principal activity

The principal activity of the company is the operating of a care home.

Fair review of the business

The results for the period, which are set out in the profit and loss account show turnover of £4,248,934 (2021 - £3,961,781) and an operating profit of £1,246,676 (2021 - £919,530). At 31 December 2022, the company had net assets of £5,702,561 (2021 - £4,768,792). The directors consider the performance for the period and the financial position at the period end to be satisfactory.

Given the nature of the business, the directors are of the opinion that key performance indicators are important. The company uses a number of indicators to monitor and improve the position of the business. Indicators are reviewed and altered to meet changes both in the internal and external environments. The directors do not consider the inclusion of an analysis using key performance indicators to be necessary to assist users of the financial statements in their understanding of the financial performance or position of the company.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to ongoing compliance with current and future legislation affecting the sector.

Approved by the Board on 22 September 2023 and signed on its behalf by:

M D M Davies
Director

CHERRY BLOSSOM CARE HOME LIMITED

Directors' Report for the Period from 22 December 2021 to 31 December 2022

The directors present their report and the financial statements for the period from 22 December 2021 to 31 December 2022.

Change of company name

The company changed its name from Alysia Caring Limited to Cherry Blossom Care Home Limited effective from 23 December 2021.

Directors of the company

The directors who held office during the period were as follows:

M D M Davies

H Jones

Financial instruments

Objectives and policies

The board constantly monitors the company's trading results and revise projections as appropriate to ensure that the company can meet its future obligations as they fall due.

Price risk, credit risk, liquidity risk and cash flow risk

The company is exposed to the usual credit and cash flow risks associated with selling on credit and manages this through credit control procedures.

The company has sufficient resources available and the directors have prepared forecasts for the next 12 months that indicate that this will continue to be the case and that these cash flows will be sufficient for the company to meet its financing commitments as they fall due. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

Future developments

The external environment is expected to remain competitive going forward, however the directors remain confident that the company will improve on its current level of performance in the future.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Appointment of auditors

Hazlewoods LLP were appointed as auditors to the company during the period, following the resignation of Freemans Partnership LLP, and have expressed their willingness to continue in office.

Approved by the Board on 22 September 2023 and signed on its behalf by:

M D M Davies
Director

CHERRY BLOSSOM CARE HOME LIMITED

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

CHERRY BLOSSOM CARE HOME LIMITED

Independent Auditor's Report to the Members of Cherry Blossom Care Home Limited

Opinion

We have audited the financial statements of Cherry Blossom Care Home Limited (the 'company') for the period from 22 December 2021 to 31 December 2022, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, 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 2022 and of its profit for the period 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 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.

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 original financial statements were 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 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 auditor's 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.

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.

CHERRY BLOSSOM CARE HOME LIMITED

Independent Auditor's Report to the Members of Cherry Blossom Care Home Limited

Opinion on other matter 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 and the Directors' Report.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including the UK Companies Act and tax legislation, and, those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

CHERRY BLOSSOM CARE HOME LIMITED

Independent Auditor's Report to the Members of Cherry Blossom Care Home Limited

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgments made in accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;.
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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.

Simon Worsley (Senior Statutory Auditor)

For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House

Bayshill Road

Cheltenham

GL50 3AT

22 September 2023

CHERRY BLOSSOM CARE HOME LIMITED

Profit and Loss Account for the Period from 22 December 2021 to 31 December 2022

	Note	22 December 2021 to 31 December 2022 £	1 January 2021 to 21 December 2021 £
Turnover	<u>3</u>	4,248,934	3,961,781
Cost of sales		<u>(2,271,799)</u>	<u>(2,374,381)</u>
Gross profit		1,977,135	1,587,400
Administrative expenses		(686,402)	(772,164)
Exceptional items	<u>6</u>	(44,057)	-
Other operating income	<u>4</u>	-	104,294
Operating profit	<u>5</u>	1,246,676	919,530
Interest payable and similar charges	<u>7</u>	<u>(307,408)</u>	<u>(594,523)</u>
Profit before tax		939,268	325,007
Taxation	<u>11</u>	<u>(5,499)</u>	<u>(137,657)</u>
Profit for the financial period		<u>933,769</u>	<u>187,350</u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the period.

The notes on pages 12 to 20 form an integral part of these financial statements.

CHERRY BLOSSOM CARE HOME LIMITED

Statement of Comprehensive Income for the Period from 22 December 2021 to 31 December 2022

	22 December 2021 to 31 December 2022 £	1 January 2021 to 21 December 2021 £
Profit for the period	933,769	187,350
Surplus on property, plant and equipment revaluation	-	3,781,370
Total comprehensive income for the period	<u>933,769</u>	<u>3,968,720</u>

The notes on pages 12 to 20 form an integral part of these financial statements.

CHERRY BLOSSOM CARE HOME LIMITED**(Registration number: 08442175)****Balance Sheet as at 31 December 2022**

	Note	31 December 2022 £	21 December 2021 £
Fixed assets			
Tangible assets	<u>12</u>	<u>13,155,089</u>	<u>13,051,585</u>
Current assets			
Stocks	<u>13</u>	9,677	9,677
Debtors	<u>14</u>	768,526	263,524
Cash at bank and in hand		<u>502,842</u>	<u>56,182</u>
		1,281,045	329,383
Creditors: Amounts falling due within one year	<u>15</u>	<u>(7,210,812)</u>	<u>(7,094,914)</u>
Net current liabilities		<u>(5,929,767)</u>	<u>(6,765,531)</u>
Total assets less current liabilities		7,225,322	6,286,054
Provisions for liabilities	<u>11</u>	<u>(1,522,761)</u>	<u>(1,517,262)</u>
Net assets		<u>5,702,561</u>	<u>4,768,792</u>
Capital and reserves			
Called up share capital	<u>17</u>	1,000	1,000
Revaluation reserve		3,781,370	3,781,370
Profit and loss account		<u>1,920,191</u>	<u>986,422</u>
Total equity		<u>5,702,561</u>	<u>4,768,792</u>

Approved and authorised by the Board on 22 September 2023 and signed on its behalf by:

M D M Davies
DirectorThe notes on pages 12 to 20 form an integral part of these financial statements.

CHERRY BLOSSOM CARE HOME LIMITED

Statement of Changes in Equity for the Period from 22 December 2021 to 31 December 2022

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 22 December 2021	1,000	3,781,370	986,422	4,768,792
Profit for the period	-	-	933,769	933,769
At 31 December 2022	1,000	3,781,370	1,920,191	5,702,561

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2021	1,000	-	799,072	800,072
Profit for the period	-	-	187,350	187,350
Revaluation reserve - property revaluation	-	5,041,826	-	5,041,826
Revaluation reserve - property deferred tax	-	(1,260,456)	-	(1,260,456)
At 21 December 2021	1,000	3,781,370	986,422	4,768,792

The notes on pages 12 to 20 form an integral part of these financial statements.

CHERRY BLOSSOM CARE HOME LIMITED

Notes to the Financial Statements for the Period from 22 December 2021 to 31 December 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The company was formerly known as Alysia Caring Limited.

The address of its registered office is:

1 Farnham Road
Guildford
GU2 4RG

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Summary of disclosure exemptions

The company has not presented a cash flow statement on the grounds that the company is a wholly owned subsidiary and a group cash flow statement is included in the financial statements of the ultimate parent company.

Name of parent of group

These financial statements are consolidated in the financial statements of MREF IV Care Holdings Limited.

The financial statements of MREF IV Care Holdings Limited may be obtained from Companies House.

Disclosure of long or short period

The financial statements cover a period of 375 days. The accounting period has been lengthened to bring the year end in line with that of its ultimate parent undertaking, Stessa Trading Limited.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Judgements and estimation uncertainty

These financial statements do not contain any significant judgements or estimation uncertainty.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

CHERRY BLOSSOM CARE HOME LIMITED

Notes to the Financial Statements for the Period from 22 December 2021 to 31 December 2022

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold property	2% straight line
Fixtures and fittings	25% reducing balance
Motor vehicles	25% reducing balance
Computer equipment	25% reducing balance

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

CHERRY BLOSSOM CARE HOME LIMITED

Notes to the Financial Statements for the Period from 22 December 2021 to 31 December 2022

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

CHERRY BLOSSOM CARE HOME LIMITED

Notes to the Financial Statements for the Period from 22 December 2021 to 31 December 2022

Financial instruments (continued)

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3 Turnover

The total turnover of the company has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Other operating income

The analysis of the company's other operating income for the period is as follows:

	22 December 2021 to 31 December 2022	1 January 2021 to 21 December 2021
	£	£
Government grants	-	103,539
Miscellaneous other operating income	-	755
	-	104,294

CHERRY BLOSSOM CARE HOME LIMITED

Notes to the Financial Statements for the Period from 22 December 2021 to 31 December 2022

5 Operating profit

Arrived at after charging/(crediting)

	22 December 2021 to 31 December 2022	1 January 2021 to 21 December 2021
	£	£
Depreciation expense	42,518	141,360
Operating lease expense - plant and machinery	-	149
Loss on disposal of property, plant and equipment	-	4,826

6 Exceptional items

	22 December 2021 to 31 December 2022	1 January 2021 to 21 December 2021
	£	£
Exceptional expenses	44,057	-

Exceptional items in the current period consist of non-recurring staff training costs.

7 Interest payable and similar expenses

	22 December 2021 to 31 December 2022	1 January 2021 to 21 December 2021
	£	£
Interest on bank overdrafts and borrowings	-	138,016
Interest expense on other finance liabilities	-	456,507
Interest payable on loans from group undertakings	307,408	-
	307,408	594,523

CHERRY BLOSSOM CARE HOME LIMITED

Notes to the Financial Statements for the Period from 22 December 2021 to 31 December 2022

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	22 December 2021 to 31 December 2022	1 January 2021 to 21 December 2021
	£	£
Wages and salaries	1,636,126	1,945,916
Social security costs	122,685	134,005
Pension costs, defined contribution scheme	22,228	307,963
	<u>1,781,039</u>	<u>2,387,884</u>

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	22 December 2021 to 31 December 2022	1 January 2021 to 21 December 2021
	No.	No.
Head office	1	4
Care home manager	1	1
Care home staff	91	99
	<u>93</u>	<u>104</u>

9 Directors' remuneration

The directors' remuneration for the period was as follows:

	22 December 2021 to 31 December 2022	1 January 2021 to 21 December 2021
	£	£
Remuneration	<u>-</u>	<u>253,333</u>

In respect of the highest paid director:

	22 December 2021 to 31 December 2022	1 January 2021 to 21 December 2021
	£	£
Remuneration	<u>-</u>	<u>146,154</u>

10 Auditors' remuneration

	22 December 2021 to 31 December 2022	1 January 2021 to 21 December 2021
	£	£
Audit of the financial statements	<u>8,500</u>	<u>12,000</u>
Other fees to auditors		
All other non-audit services	<u>3,250</u>	<u>24,760</u>

CHERRY BLOSSOM CARE HOME LIMITED

Notes to the Financial Statements for the Period from 22 December 2021 to 31 December 2022

11 Taxation

Tax charged/(credited) in the profit and loss account

	22 December 2021 to 31 December 2022 £	1 January 2021 to 21 December 2021 £
Current taxation		
UK corporation tax	-	53,156
Deferred taxation		
Arising from origination and reversal of timing differences	5,499	84,501
Tax expense in the income statement	<u>5,499</u>	<u>137,657</u>

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	22 December 2021 to 31 December 2022 £	1 January 2021 to 21 December 2021 £
Profit before tax	<u>939,268</u>	<u>325,007</u>
Corporation tax at standard rate	178,461	61,751
Effect of expense not deductible in determining taxable profit (tax loss)	-	937
Tax decrease from effect of capital allowances and depreciation	(29,874)	(9,532)
Deferred tax (credit)/expense from unrecognised temporary difference from a prior period	(36,390)	84,501
Tax decrease arising from group relief	<u>(106,698)</u>	<u>-</u>
Total tax charge	<u>5,499</u>	<u>137,657</u>

Deferred tax

Deferred tax assets and liabilities

	Liability £
2022	
Other fixed asset timing differences	262,305
Provision in respect of revalued property	<u>1,260,456</u>
	<u>1,522,761</u>

	Liability £
2021	
Other fixed asset timing differences	256,806
Provision in respect of revalued property	<u>1,260,456</u>
	<u>1,517,262</u>

CHERRY BLOSSOM CARE HOME LIMITED

Notes to the Financial Statements for the Period from 22 December 2021 to 31 December 2022

12 Tangible assets

	Freehold property £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 22 December 2021	13,000,000	147,417	13,147,417
Additions	-	146,022	146,022
At 31 December 2022	13,000,000	293,439	13,293,439
Depreciation			
At 22 December 2021	-	95,832	95,832
Charge for the period	-	42,518	42,518
At 31 December 2022	-	138,350	138,350
Carrying amount			
At 31 December 2022	13,000,000	155,089	13,155,089
At 21 December 2021	13,000,000	51,585	13,051,585

Revaluation

The fair value of the company's land and buildings was revalued on an existing use basis on 31 December 2022 by Avison Young, an independent valuer.

Had this class of asset been measured on a historical cost basis, the carrying amount would have been £7,958,174 (2021 - £7,958,174).

13 Stocks

	31 December 2022 £	21 December 2021 £
Stocks	9,677	9,677

14 Debtors

	Note	31 December 2022 £	21 December 2021 £
Trade debtors		346,396	240,010
Amounts owed by related parties	18	96,744	-
Other debtors		288,718	9,378
Prepayments		36,668	14,136
		768,526	263,524

CHERRY BLOSSOM CARE HOME LIMITED

Notes to the Financial Statements for the Period from 22 December 2021 to 31 December 2022

15 Creditors

	31 December 2022 £	21 December 2021 £
Due within one year		
Trade creditors	233,763	41,674
Amounts due to group undertakings	6,581,050	6,623,642
Social security and other taxes	63,467	67,840
Outstanding defined contribution pension costs	9,138	4,649
Other creditors	185,745	153,929
Accrued expenses	137,649	150,024
Corporation tax liability	-	53,156
	<u>7,210,812</u>	<u>7,094,914</u>

16 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £22,228 (2021 - £307,963).

Contributions totalling £9,138 (2021 - £4,649) were payable to the scheme at the end of the period and are included in creditors.

17 Share capital

Allotted, called up and fully paid shares

	31 December 2022		21 December 2021	
	No.	£	No.	£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

18 Related party transactions

Summary of transactions with key management

Key management personnel are considered to be the directors of the company and key management personnel compensation is disclosed in note 9 to the financial statements.

19 Parent and ultimate parent undertaking

The company's immediate parent is NF Care Holdings Limited, incorporated in England and Wales.

The ultimate parent is MREF IV Care Holdings Limited, incorporated in England and Wales.

The company's ultimate controlling parties are MREF IV A Limited Partnership, MREF IV B Limited Partnership and MREF IV PC Limited Partnership which are limited partnerships registered in England and Wales.

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