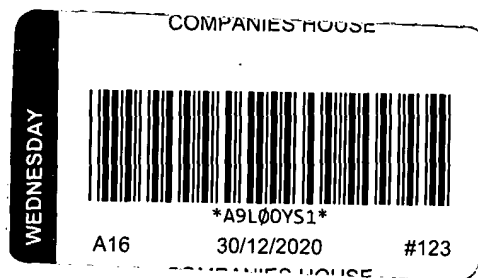


Registered number: 08767784

## ACTIVE LIVES CARE LTD

### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



## **ACTIVE LIVES CARE LTD**

### **COMPANY INFORMATION**

<b>Directors</b>	Emil Gigov James Halton Paul Dixon Anne Smith
<b>Registered number</b>	08767784
<b>Registered office</b>	1 Benjamin Street London EC1M 5QG
<b>Independent auditor</b>	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD

# **ACTIVE LIVES CARE LTD**

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## ACTIVE LIVES CARE LTD

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

#### Introduction

The Directors present their strategic report on the Company for the year ended 31 December 2019.

#### Business review

The company operates a well-regarded care home in the South East and continues to do so.

The company performed well in the year. Revenue increased by 31.7% for the period as the number of residents increased.

The company's key performance indicator is average occupancy levels:

	2019	2018
Average occupancy levels	85.5%	68.3%

#### Principal risks and uncertainties

Management considers that the principal risks to the business are minimal. To mitigate any risk all care staff are trained to a high level, the company retains high quality staff that management trust, together with employing a compliance manager as part of the team.

The ability to maintain and retain good staff is important to ensure an adequate level of care and help manage labour costs.

#### Financial risk management objectives and policies

The Company's principal financial instruments comprise of loan notes, debtors and creditors. The Company is not exposed to variations in interest rates in connection with bank borrowings.

#### COVID-19 risk

The Board is monitoring the global health crisis and is considering the associated risks and impact on the position of the Company from both an operational and financial perspective. Management has put in place various controls and procedures to ensure resident safety is maintained at the highest level and Government legislation is adhered to. The Board continues to monitor the effect of COVID-19 on an on-going basis.

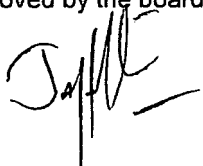
#### Other risks

The Company is not exposed to any material operational risks. There is a high level of demand for the Company's services not only due to the age demography of the UK population but also because of the high quality of care offered.

This report was approved by the board on 14/12/2020

and signed on its behalf.

**James Halton**  
Director



## **ACTIVE LIVES CARE LTD**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

The Directors present their report and the financial statements for the year ended 31 December 2019.

#### **Directors**

The Directors who served during the year were:

Emil Gigov  
James Halton  
Paul Dixon  
Anne Smith

#### **Qualifying third party indemnity provisions**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The Company has granted this indemnity in favour of the Directors of the Company as is permitted by Section 232-235 of the Companies Act 2006. The Company has purchased Directors' and Officers' liability insurance cover for the director against liabilities arising in relation to the company, as permitted by the Companies Act 2006. This insurance does not cover criminal activity.

#### **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.

#### **Post balance sheet events**

Post balance sheet events are disclosed within note 16.

#### **Auditor**

The auditor, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 14/12/2020

and signed on its behalf.



James Halton  
Director

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIVE LIVES CARE LTD**

**Opinion**

We have audited the financial statements of Active Lives Care Ltd (the 'Company') for the year ended 31 December 2019, which comprise the Statement of income and retained earnings, the Balance sheet, the Statement of cash flows 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 December 2019 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 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIVE LIVES CARE LTD (CONTINUED)**

We have nothing to report in this regard.

**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 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.

**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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.



**ACTIVE LIVES CARE LTD**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIVE LIVES CARE LTD (CONTINUED)**

*PKF Littlejohn LLP*

Timothy Herbert (Senior statutory auditor)

for and on behalf of  
**PKF Littlejohn LLP**

Statutory Auditor

15 Westferry Circus  
Canary Wharf  
London  
E14 4HD  
Date: 22/12/2020

**ACTIVE LIVES CARE LTD**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

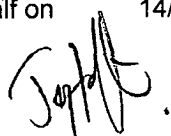
	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
Turnover	3	4,907,209	3,724,997
Cost of sales		(2,432,306)	(2,149,262)
<b>Gross profit</b>		<b>2,474,903</b>	<b>1,575,735</b>
Administrative expenses		(1,318,844)	(1,075,263)
<b>Operating profit</b>	4	<b>1,156,059</b>	<b>500,472</b>
Interest payable and expenses	8	(1,429,688)	(1,374,871)
<b>Loss before tax</b>		<b>(273,629)</b>	<b>(874,399)</b>
<b>Loss after tax</b>		<b>(273,629)</b>	<b>(874,399)</b>
Retained earnings at the beginning of the year		(5,104,243)	(4,229,844)
		(5,104,243)	(4,229,844)
Loss for the year		(273,629)	(874,399)
<b>Retained earnings at the end of the year</b>		<b>(5,377,872)</b>	<b>(5,104,243)</b>
The notes on pages 11 to 20 form part of these financial statements.			

**ACTIVE LIVES CARE LTD**  
**REGISTERED NUMBER: 08767784**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>ASSETS</b>			
<b>Fixed Assets</b>			
Tangible assets	10	7,287,892	7,731,133
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	242,306	184,962
Cash at bank and in hand	12	262,345	188,284
		<u>7,792,543</u>	<u>8,104,379</u>
<b>LIABILITIES</b>			
<b>Capital and reserves</b>			
Called up share capital	17	54,000	54,000
Share premium account	18	2,761,767	2,761,767
Profit and loss account	18	(5,377,872)	(5,104,244)
<b>Shareholder's funds</b>		<u>(2,562,105)</u>	<u>(2,288,477)</u>
<b>Creditors</b>			
Creditors: amounts falling due after more than one year	14	9,263,247	9,214,696
Creditors: amounts falling due within one year	13	1,091,401	1,178,160
		<u>7,792,543</u>	<u>8,104,379</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14/12/2020



**James Halton**  
Director

The notes on pages 11 to 20 form part of these financial statements.

**ACTIVE LIVES CARE LTD**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(273,629)	(874,399)
<b>Adjustments for:</b>		
Depreciation of tangible assets	433,792	433,560
Loss on disposal of tangible assets	-	3,358
Interest paid	1,429,688	1,374,871
(Increase)/decrease in debtors	(57,345)	63,502
Increase in creditors	28,446	548,897
<b>Net cash generated from operating activities</b>	<u>1,560,952</u>	<u>1,549,789</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(105,755)	(405,464)
<b>Net cash from investing activities</b>	<u>(105,755)</u>	<u>(405,464)</u>
<b>Cash flows from financing activities</b>		
New secured loans	48,550	-
Interest paid	(1,429,687)	(1,374,872)
<b>Net cash used in financing activities</b>	<u>(1,381,137)</u>	<u>(1,374,872)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>74,060</u>	<u>(230,547)</u>
Cash and cash equivalents at beginning of year	188,284	418,831
<b>Cash and cash equivalents at the end of year</b>	<u><u>262,344</u></u>	<u><u>188,284</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	262,344	188,284
	<u><u>262,344</u></u>	<u><u>188,284</u></u>

The notes on pages 11 to 20 form part of these financial statements.

# ACTIVE LIVES CARE LTD

## ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 DECEMBER 2019

	At 1 January 2019 £	Cash flows £	Other non- cash changes £	At 31 December 2019 £
Cash at bank and in hand	188,284	74,060	-	262,344
Debt due after 1 year	(9,214,696)	1,609,439	(1,399,025)	(9,004,282)
Debt due within 1 year	-	-	-	-
	<u>(9,026,412)</u>	<u>1,683,499</u>	<u>(1,399,025)</u>	<u>(8,741,938)</u>

The notes on pages 11 to 20 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**1. General information**

Active Lives Care Limited ("the Company") owns and operates a luxury care home for the elderly providing residential, nursing and dementia care.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 1 Benjamin Street, London, EC1M 5QG.

The financial statements are presented in sterling which is also the functional currency of the Company.

**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.

The following principal accounting policies have been applied:

**2.2 Going concern**

The Directors have performed an assessment over the Company's ability to continue as a going concern for a period of at least 12 months from the date of the approval of these financial statements. Venture Capital Trusts managed by Albion Capital LLP own 50% of the shares of the company and have provided senior secured loans to finance the business.

Having prepared forecasts based on current resources and assessing the possible impact of COVID-19, the directors are satisfied that adequate resources through existing agreed facilities and fee income are available for the Company to meet its obligations as they fall due as the home continues to maintain occupancy levels. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**2.3 Turnover**

Turnover is recognised as the fees receivable for the provision of residential care and assisted living services to the Company's residents. The fees, which are payable monthly in advance, are recognised in the month to which they relate.

**2.4 Finance costs**

Finance costs are charged to the Statement of income and retained earnings 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**2. Accounting policies (continued)**

**2.5 Tangible fixed assets**

Tangible fixed assets consist of the care home and assets associated with the provision of residential care and 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	- 2% straight line basis
Plant and machinery	- 10% straight line basis
Fixtures and fittings	- 25% straight line basis

Freehold land is not depreciated.

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 the Statement of income and retained earnings.

**2.6 Short term debtors and creditors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

**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 Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**2. Accounting policies (continued)**

**2.9 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets is measured using the rates and allowances that apply to the sale of the asset.

**2.10 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 the Statement of income and retained earnings 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.

**3. Turnover**

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Provision of residential care and associated living services in the UK	4,907,209	3,724,997
	<u>4,907,209</u>	<u>3,724,997</u>

**4. Operating profit**

The operating profit is stated after charging:

	2019 £	2018 £
Other operating lease rentals	17,441	20,800
	<u>17,441</u>	<u>20,800</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**5. Auditor's remuneration**

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>10,500</u>	<u>10,000</u>
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
Taxation compliance services	1,680	1,600
Preparation of the financial statements	1,050	1,000
	<u>2,730</u>	<u>2,600</u>

**6. Employees**

	2019 £	2018 £
Wages and salaries	1,845,904	1,692,713
Social security costs	156,981	142,164
Cost of defined contribution scheme	30,212	19,354
	<u>2,033,097</u>	<u>1,854,231</u>

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

	2019 No.	2018 No.
Staff	<u>93</u>	<u>79</u>

**7. Directors' remuneration**

	2019 £	2018 £
Directors' emoluments	12,360	12,360
	<u>12,360</u>	<u>12,360</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

## 8. Interest payable and similar expenses

	2019 £	2018 £
VCT loan stock interest payable	1,429,688	1,374,871
	<u>1,429,688</u>	<u>1,374,871</u>

## 9. Taxation

	2019 £	2018 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

## Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	(273,629)	(874,399)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(51,990)	(166,136)
Effects of:		
Capital allowances for year in excess of depreciation	14,906	73,537
Qualifying donations unutilised	1,349	1,727
Other differences leading to an increase (decrease) in the tax charge	(5,077)	-
Deferred tax not recognised	40,812	90,872
Total tax charge for the year	-	-

## Factors that may affect future tax charges

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**
**9. Taxation (continued)**

New legislation was passed on 18 November 2015 to reduce the UK corporation tax rate to 19.0% from 1 April 2017 and 18.0% from 1 April 2020. The government further announced on 16 March 2016 as part of its Budget that a rate of 17.0% will apply from 1 April 2020 instead of 18.0%. The effect of the reduction to 17.0% is reflected in the closing deferred tax balance.

On 18 November 2019, the Government pledged to put the planned corporation tax reduction from 19% to 17% on hold. This was substantively enacted on 17 March 2020.

**10. Tangible fixed assets**

	Land £	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 January 2019	2,577,975	3,949,508	1,380,884	858,750	8,767,117
Additions	-	7,219	1,209	97,327	105,755
Disposals	-	(115,206)	-	-	(115,206)
At 31 December 2019	2,577,975	3,841,521	1,382,093	956,077	8,757,666
<b>Depreciation</b>					
At 1 January 2019	-	190,265	384,768	460,949	1,035,982
Charge for the year on owned assets	-	78,454	131,543	223,795	433,792
At 31 December 2019	-	268,719	516,311	684,744	1,469,774
<b>Net book value</b>					
At 31 December 2019	2,577,975	3,572,802	865,782	271,333	7,287,892
At 31 December 2018	2,577,975	3,759,242	996,116	397,801	7,731,134

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

11. Debtors

	2019 £	2018 £
Trade debtors	134,816	151,894
Other debtors	8,046	-
Prepayments and accrued income	99,444	33,068
	<u>242,306</u>	<u>184,962</u>

12. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	262,344	188,284
	<u>262,344</u>	<u>188,284</u>

13. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	92,769	64,107
Amounts owed to related undertakings	4,318	-
Other taxation and social security	43,809	40,746
Other creditors	337,187	333,194
Accruals and deferred income	613,318	740,113
	<u>1,091,401</u>	<u>1,178,160</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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

	2019 £	2018 £
VCT loan stock	9,263,247	9,214,696
	<u>9,263,247</u>	<u>9,214,696</u>

**Secured loans**

The long term loan is secured against the land and assets owned by the Company. The loan is repayable in full on the fifth anniversary following its issue and carries an interest rate of 14.6%. Interest is payable in arrears on a monthly basis, with 50% of the interest calculated on the principal being paid and the remainder being deferred and added to the principal at the end of the first and second anniversary of the loan.

15. Loans

	2019 £	2018 £
<b>Amounts falling due 2-5 years</b>		
VCT loan stock	9,263,247	9,214,696
	<u>9,263,247</u>	<u>9,214,696</u>
	<u>9,263,247</u>	<u>9,214,696</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**16. Financial instruments**

	2019 £	2018 £
<b>Financial assets</b>		
Financial assets measured at amortised cost	142,862	151,894
	<u>142,862</u>	<u>151,894</u>
<b>Financial liabilities</b>		
Other financial liabilities measured at amortised cost	10,466,863	10,352,039
	<u>10,466,863</u>	<u>10,352,039</u>

Financial assets measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors, accruals, deferred revenue and loans.

**17. Share capital**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
5,400,000 (2018 - 5,400,000) Ordinary shares shares of £0.01 each	54,000	54,000
	<u>54,000</u>	<u>54,000</u>

**18. Reserves**

**Share premium account**

The share premium account represents the amounts paid by shareholders in excess of the nominal value of an ordinary share.

**Profit and loss account**

The profit and loss account represents profit and losses which have accumulated year on year since the Company began trading, less the distribution of dividends paid. This is a distributable reserve.

**19. Pension commitments**

The pension cost charge represents employer contributions payable by the Company to the fund and amounted to £30,212 (2018: £19,354). Total contributions of £12,252 (2018: £7,572) were payable to the fund at the balance sheet date and are included in creditors.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**20. Related party transactions**

As at 31 December 2019, the Company owed £9,364,813 (2018: £9,544,565 ) to venture capital trusts managed by a partnership in which a Director of the Company is a partner. A total of £9,263,247 (2018: £9,214,696) is included within creditors due after more than one year. £1,381,137 (2018: £1,374,871) was expensed as interest in the period. Additional amounts relating to monitoring fees were also charged by the partnership and are included as consultancy costs of £24,000 (2018: £24,000)

As at 31 December 2019, the Company owed £887 (2018 - £Nil) to Shinfield Lodge Care Limited, a company with common Directorships. During the year purchases of £1,973 were made by the related party on behalf of the Company and £1,086 was repaid.

As at 31 December 2019, the Company owed £5,695 (2018 - £Nil) to Berkley Care (Portobello Place) Ltd, a company with common Directorships. During the year purchases of £12,363 were made by the related party on behalf of the Company and £6,668 was repaid.

As at 31 December 2019, the Company was due to receive £994 (2018 - £Nil) from Ryefield Court Care Limited, company with common Directorships. During the year purchases of £1,021 were made by the related party on behalf of the Company and £2,015 was repaid.

As at 31 December 2019, the Company was due to receive £1,294 (2018 - £Nil) from Berkley Care Warwick Ltd, company with common Directorships. During the year purchases of £1,688 were made by the related party on behalf of the Company and £2,982 was repaid.

The Company employed a building contractor that shared a common director with the Company for the construction of its care home. During the year, additions of £Nil (2018: £250,390) were recognised in respect of the construction payable to the building contractor.

The Company engaged in management fees with another company that shared a common directors. The Company was charged £348,992 (2018 - £232,334) in the year to 31 December 2019.

**21. Post balance sheet events**

The Coronavirus outbreak is a global situation which has arisen post balance sheet date. For the Company's 31 December 2019 financial statements, the Coronavirus outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities