

Registered number
12702241

Macc Care Developments (Studley) Limited

Report and Accounts

30 September 2021

Prime
Chartered Accountants and Statutory Auditors

Macc Care Developments (Studley) Limited

Independent auditors' report

to the members of Macc Care Developments (Studley) Limited

Opinion

We have audited the financial statements of Macc Care Developments (Studley) Limited for the year ended 30 September 2021 which comprise the income and expenditure account, the balance sheet and the notes to the financial statements 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 FRS 102 'The Financial Reporting Standard applicable in the UK and the 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 30 September 2021 and of its surplus 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 of 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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 or other information, we are required to report the 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 Report of the Directors.

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 Statement of Directors Responsibilities, 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the industry sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence;

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and other relevant parties.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may

involve deliberate concealment or collusion.

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 Report of the Auditors.

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 Report of Auditors 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.

Morgan Davies FCA

(Senior Statutory Auditor)

for and on behalf of

Prime

Chartered Accountants and Statutory Auditors

29 June 2022

Corner Oak

1 Homer Road

Solihull

B91 3QG

Macc Care Developments (Studley) Limited**Registered number:** 12702241**Balance Sheet****as at 30 September 2021**

| | Notes | 2021 | | As Restated 2020 | |
|--|-------|-------------|-------------------------|---------------------|-----------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Investment property | 4 | | 14,625,000 | | 2,410,320 |
| Current assets | | | | | |
| Debtors | 5 | - | | 326,798 | |
| Cash at bank and in hand | | 1 | | 1 | |
| | | <u>1</u> | | <u>326,799</u> | |
| Creditors: amounts falling due within one year | 6 | (7,444,467) | | (1,702,252) | |
| Net current liabilities | | | (7,444,466) | | (1,375,453) |
| Total assets less current liabilities | | | <u>7,180,534</u> | | <u>1,034,867</u> |
| Creditors: amounts falling due after more than one year | 7 | | - | | (1,036,616) |
| Provisions for liabilities | | | (1,796,018) | | - |
| Net assets/(liabilities) | | | <u><u>5,384,516</u></u> | | <u><u>(1,749)</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | | | 1 | | 1 |
| Profit and loss account | | | 5,384,515 | | (1,750) |
| Shareholders' funds | | | <u><u>5,384,516</u></u> | | <u><u>(1,749)</u></u> |

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.

N Nathani

Director

Approved by the board on 29 June 2022

Macc Care Developments (Studley) Limited

Notes to the Accounts

for the year ended 30 September 2021

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102 (as applicable to small companies), The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 pound.

Turnover

Turnover is measured at the fair value of the consideration received or receivable. Turnover will comprise revenue earned from the rental of the investment property.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Investment property

Investment property is initially recognised at cost and then subsequently measured at fair value. Changes in value are recognised in profit or loss.

Creditors

Short term creditors are measured at transaction price. Loans and other financial liabilities are also recognised at transaction price net of any transaction costs.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

2 Prior year adjustment

The directors consider that the care home property should be classified as an investment property. On the prior year balance sheet it was shown as a fixed asset, it has now been reclassified as an investment property.

There is no adjustment to either profit or taxation in respect of the prior year and therefore the reserves remain unchanged.

3 Employees

| | 2021 | 2020 |
|---|----------|----------|
| | Number | Number |
| Average number of persons employed by the company | <u>2</u> | <u>2</u> |

| | |
|------------------------------|-------------------|
| 4 Investment property | 2021 |
| | £ |
| Valuation | |
| At 1 October 2020 | 2,410,320 |
| Additions | 5,030,607 |
| Revaluation | 7,184,073 |
| At 30 September 2021 | <u>14,625,000</u> |

Investment property includes capitalised borrowing costs of £634,157

The property was revalued 5 May 2022 by Knight Frank RICS on an open market value basis.

| | | |
|------------------|-------------|----------------|
| 5 Debtors | 2021 | 2020 |
| | £ | £ |
| VAT Receivable | <u>-</u> | <u>326,798</u> |

| | | |
|---|------------------|------------------|
| 6 Creditors: amounts falling due within one year | 2021 | 2020 |
| | £ | £ |
| Bank loan | 6,430,142 | 326,190 |
| Trade creditors | - | 8,052 |
| Accruals and deferred income | 3,500 | 1,750 |
| Amounts owed to connected company | 1,010,825 | 1,366,260 |
| | <u>7,444,467</u> | <u>1,702,252</u> |

| | | |
|--|-------------|------------------|
| 7 Creditors: amounts falling due after one year | 2021 | 2020 |
| | £ | £ |
| Bank loan | <u>-</u> | <u>1,036,616</u> |

| | | |
|--------------------|--------------------|--------------------|
| 8 Loan | 2021 | 2020 |
| | £ | £ |
| Creditors include: | | |
| Secured bank loan | <u>(6,430,142)</u> | <u>(1,362,806)</u> |

The loans are secured by a fixed charge over the development land known as Marlborough Works, New Road , Studley and a floating charge over all property and undertakings of the company.

| | | |
|------------------------------------|------------------|-------------|
| 9 Deferred tax | 2021 | 2020 |
| | £ | £ |
| Revaluation of investment property | 1,796,018 | - |
| Tax losses carried forward | - | - |
| | <u>1,796,018</u> | <u>-</u> |

| 10 Capital commitments | 2021 | 2020 |
|---|-------------|-------------|
| | £ | £ |
| Amounts contracted for but not provided in the accounts | - | 4,600,000 |

| 11 Share capital | Nominal value | 2021 Number | 2021 £ | 2020 £ |
|-------------------------------------|----------------------|--------------------|---------------|---------------|
| Allotted, called up and fully paid: | | | | |
| Ordinary shares | £1 each | 1 | 1 | 1 |

12 Controlling party

The company is a subsidiary of Macc Care Properties (Studley) Limited whose registered office is 23 Calthorpe Road, Edgbaston, Birmingham, B15 1RP.

The ultimate holding company is Macc Care Group Limited whose registered office is at 23 Calthorpe Road, Edgbaston, Birmingham B15 1RP

13 Other information

Macc Care Developments (Studley) Limited is a private company limited by shares and incorporated in England. Its registered office is:

23 Calthorpe Road

Edgbaston

Birmingham

B15 1RP

The smallest and largest group for which Group financial statements are prepared is Macc Care Group Limited and Group financial statements can be obtained from their address.

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