

Limited Liability Partnership Registration No. OC426385 (England and Wales)

Affordable Housing and Healthcare Secured Lending LLP

**Annual report and unaudited financial statements
for the year ended 31 March 2022**

Pages for filing with the Registrar

Affordable Housing and Healthcare Secured Lending LLP

Contents

	Page
Statement of financial position	1 - 2
Reconciliation of members' interests	4
Notes to the financial statements	5 - 9

Affordable Housing and Healthcare Secured Lending LLP

Statement of financial position

As at 31 March 2022

			2022	2021
	Notes	£	£	£
Current assets				
Debtors	2	2,368,820	1,597,463	
Cash at bank and in hand		18,757	5,589	
		<u>2,387,577</u>	<u>1,603,052</u>	
Creditors: amounts falling due within one year	3	<u>(1,103,390)</u>	<u>(362,392)</u>	
Net current assets and net assets attributable to members			<u>1,284,187</u>	<u>1,240,660</u>
Represented by:				
Loans and other debts due to members within one year				
Amounts due in respect of profits			84,187	40,660
Members' other interests				
Members' capital classified as equity			1,200,000	1,200,000
			<u>1,284,187</u>	<u>1,240,660</u>
Total members' interests				
Loans and other debts due to members			84,187	40,660
Members' other interests			1,200,000	1,200,000
			<u>1,284,187</u>	<u>1,240,660</u>

The members of the limited liability partnership have elected not to include a copy of the income statement within the financial statements.

Affordable Housing and Healthcare Secured Lending LLP

Statement of financial position (continued)

As at 31 March 2022

For the financial year ended 31 March 2022 the limited liability partnership was entitled to exemption from audit under section 477 of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) relating to small limited liability partnerships.

The members acknowledge their responsibilities for complying with the requirements of the Act (as applied to limited liability partnerships) with respect to accounting records and the preparation of accounts.

These financial statements have been prepared and delivered in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnerships regime.

The financial statements were approved by the members and authorised for issue on 11 November 2022 and are signed on their behalf by:

Julian Shaffer on behalf of
Quantum Group Holdings Ltd
Designated member

Limited Liability Partnership Registration No. OC426385

Affordable Housing and Healthcare Secured Lending LLP

**Reconciliation of members' interests
For the year ended 31 March 2022**

Current financial year	Equity		Debt		Total
	Members' other		Loans and other debts due to members less		members'
	interests		any amounts due from members in debtors		interests
	Members' capital	Other amounts	Total		Total
	£	£	£		2022
					£
Members' interests at 1 April 2021	1,200,000	40,660	40,660		1,240,660
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	79,428	79,428		79,428
Result for the financial year available for discretionary division among members	-	-	-		-
Members' interests after loss and remuneration for the year	1,200,000	120,088	120,088		1,320,088
Drawings	-	(35,901)	(35,901)		(35,901)
Members' interests at 31 March 2022	1,200,000	84,187	84,187		1,284,187

Affordable Housing and Healthcare Secured Lending LLP

Reconciliation of members' interests (continued)
For the year ended 31 March 2022

Prior financial year	Equity		Debt		Total members' interests
	Members' capital	Members' other interests	Loans and other debts due to members less any amounts due from members in debtors	Total	
	£	£	£	£	Total 2021 £
Members' interests at 1 April 2020 as previously reported	1,000,000	358	16,553	16,553	1,016,911
Prior year adjustment	-	-	358	358	358
Members' interests at 1 April 2020 as restated	1,000,000	358	16,911	16,911	1,017,269
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	-	76,171	76,171	76,171
Result for the financial year available for discretionary division among members	-	-	-	-	-
Members' interests after loss and remuneration for the year introduced by members	1,000,000	358	93,082	93,082	1,093,440
Drawings	200,000	-	-	-	200,000
Other movements	-	(358)	(52,422)	(52,422)	(52,422)
Members' interests at 31 March 2021	1,200,000	-	40,660	40,660	1,240,660

Affordable Housing and Healthcare Secured Lending LLP

Notes to the financial statements For the year ended 31 March 2022

1 Accounting policies

Limited liability partnership information

Affordable Housing and Healthcare Secured Lending LLP is a limited liability partnership incorporated in England and Wales. The registered office is 170 Charminster Road, Bournemouth, Dorset, BH8 9RL.

The limited liability partnership's principal activities are disclosed in the Members' Report.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in December 2018, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small LLPs regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.3 Members' participating interests

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

Notes to the financial statements (continued)

For the year ended 31 March 2022

1 Accounting policies (continued)

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment. [Amounts payable to members under employment contracts and unavoidable interest on members capital are charged to "members remuneration charged as an expense" in the relevant year].

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The limited liability partnership 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.

Financial instruments are recognised in the limited liability partnership's statement of financial position when the limited liability partnership becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies (continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the limited liability partnership after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Affordable Housing and Healthcare Secured Lending LLP

Notes to the financial statements (continued)

For the year ended 31 March 2022

1 Accounting policies (continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

2 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	103,820	47,463
	<u> </u>	<u> </u>
	2022	2021
	£	£
Amounts falling due after more than one year:		
Other debtors	2,265,000	1,550,000
	<u> </u>	<u> </u>
Total debtors	2,368,820	1,597,463
	<u> </u>	<u> </u>

3 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other creditors	1,103,390	362,392
	<u> </u>	<u> </u>

Affordable Housing and Healthcare Secured Lending LLP

Notes to the financial statements (continued)

For the year ended 31 March 2022

4 Loans and other debts due to members

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

5 Related party transactions

A total loan of £1,200,000 was made to Affordable Housing and Healthcare Group Limited, a company under common control. This was repaid in full in the year to 31 March 2022. Interest is charged on this loan at a rate of 7%, totalling £42,115 (2021: £81,507) in the year to 31 March 2022. At 31 March 2022 £nil (2021: £1,241,885) was due from Affordable Housing and Healthcare Group Limited.

A further loan of £2,115,000 was made to Encore Care Homes Limited, a company under common control. Interest is charged on this loan at a rate of 7% on £1,550,000 of the loan and 10.5% on the additional £565,000, totalling £95,966 (2021: £8,323). As at 31 March 2022 £2,210,966 (2021: £358,323) was due from Encore Care Homes Limited.

An additional loan of £150,000 was made to Encore Oakdale Poole Limited, a company under common control. Interest is charged on this loan at a rate of 10.5%, totalling £7,853 in the year to 31 March 2022. At 31 March 2022 £157,853 was due from Encore Oakdale Poole Limited.

A loan was made to one of the designated members Quantum Group Holdings totalling £715,000. Interest is charged on this loan at a rate of 10% per annum.

6 Parent company

The ultimate controlling party of the partnership is considered to be Julian Shaffer.

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.