

Company Registration No. SC412450 (Scotland)

LORIMER CARE HOMES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

LORIMER CARE HOMES LIMITED

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LORIMER CARE HOMES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	3	16,717,696		16,085,359	
Investments	4	9,385,979		9,385,979	
		<u>26,103,675</u>		<u>25,471,338</u>	
Current assets					
Debtors	6	8,468		-	
Cash at bank and in hand		121,555		98,142	
		<u>130,023</u>		<u>98,142</u>	
Creditors: amounts falling due within one year	7	<u>(17,594,446)</u>		<u>(16,500,620)</u>	
Net current liabilities		<u>(17,464,423)</u>		<u>(16,402,478)</u>	
Total assets less current liabilities		<u>8,639,252</u>		<u>9,068,860</u>	
Provisions for liabilities		<u>(836,766)</u>		<u>(718,000)</u>	
Net assets		<u><u>7,802,486</u></u>		<u><u>8,350,860</u></u>	
Capital and reserves					
Called up share capital		2		2	
Revaluation reserve	9	200,000		200,000	
Capital contribution reserve	9	10,345,681		10,345,681	
Profit and loss reserves	9	<u>(2,743,197)</u>		<u>(2,194,823)</u>	
Total equity		<u><u>7,802,486</u></u>		<u><u>8,350,860</u></u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 15 December 2022 and are signed on its behalf by:

L Blackwood
Director

Company Registration No. SC412450

LORIMER CARE HOMES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Revaluation reserve	Capital Contribution reserve	Other reserves	Profit and loss reserves as restated	Total
Balance at 1 July 2019	2	200,000	-	400,686	(2,700,595)	(2,099,907)
Period ended 31 December 2020:						
Profit and total comprehensive income for the period	-	-	-	-	105,086	105,086
Other movements	-	-	10,345,681	(400,686)	400,686	10,345,681
Balance at 31 December 2020	2	200,000	10,345,681	-	(2,194,823)	8,350,860
Year ended 31 December 2021:						
Loss and total comprehensive income for the year	-	-	-	-	(548,374)	(548,374)
Balance at 31 December 2021	2	200,000	10,345,681	-	(2,743,197)	7,802,486

LORIMER CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Lorimer Care Homes Limited is a private company limited by shares incorporated in Scotland. The registered office is Sanctuary House, 7 Freeland Drive, Glasgow, G53 6PG. The company's registration number is SC412450.

1.1 Accounting convention

These financial statements have been prepared in accordance 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 companies 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 company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Reporting period

The company prepares these financial statements for a 12 month period to 31 December 2021. The comparative figures are the 18 months to 31 December 2020.

1.3 Tangible fixed assets

During the year under review, the directors have chosen to apply the exemption under FRS 102 Triennial Review for accounting for investment properties rented to group companies at fair value and account for them at cost, net of depreciation. As a result these financial statements have reclassified the five care homes from investment properties to heritable properties and depreciated the assets from the date of transition. The effect of this change in accounting policy is to align the accounting treatment in the company with the accounting treatment in the consolidated accounts of the group.

As a result of the change in policy, Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	35 years straight line
Fixtures and fittings	13.33% on cost
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

LORIMER CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.5 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 and cash and bank balances, 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.

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 company 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.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

LORIMER CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.11 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

LORIMER CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Management	-	5

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	-	249,373
Social security costs	-	15,188
Pension costs	-	1,083
	-	265,644

3 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 January 2021	16,865,298	1,194,339	18,059,637
Additions	871,808	480,345	1,352,153
At 31 December 2021	17,737,106	1,674,684	19,411,790
Depreciation and impairment			
At 1 January 2021	1,428,235	546,043	1,974,278
Depreciation charged in the year	511,210	208,606	719,816
At 31 December 2021	1,939,445	754,649	2,694,094
Carrying amount			
At 31 December 2021	15,797,661	920,035	16,717,696
At 31 December 2020	15,437,063	648,296	16,085,359

4 Fixed asset investments

	2021 £	2020 £
Shares in group undertakings and participating interests	9,385,979	9,385,979

LORIMER CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Glenfaim Limited	Tribune Court, 2 Roman Road, Bearsden, Glasgow, G61 2SW	Ordinary	100.00
Tayside Care Limited	Tribune Court, 2 Roman Road, Bearsden, Glasgow, G61 2SW	Ordinary	100.00
Gate Healthcare Limited	Tribune Court, 2 Roman Road, Bearsden, Glasgow, G61 2SW	Ordinary	100.00

6 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	8,468	-
	<u>8,468</u>	<u>-</u>

7 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	24,735	865
Amounts owed to group undertakings	17,501,830	16,492,259
Corporation tax	-	(2,970)
Other taxation and social security	-	(1,740)
Other creditors	67,881	12,206
	<u>17,594,446</u>	<u>16,500,620</u>

8 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	360,766	213,000
Unrealised gain	476,000	505,000
	<u>836,766</u>	<u>718,000</u>

LORIMER CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Deferred taxation (Continued)

	2021 £
Movements in the year:	
Liability at 1 January 2021	718,000
Charge to profit or loss	118,766
Liability at 31 December 2021	<u>836,766</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

9 Reserves

Revaluation reserve

The revaluation reserve represents the unreleased gain on the properties transferred from its subsidiaries to the company.

Equity reserve

Profit and loss reserve represents the distributable profits of the company.

Capital Contribution reserve

The capital contribution reserve represents the contribution made by Sanctuary Housing Association to the company during the prior period to repay its debt in full.

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was David Holt and the auditor was Consilium Audit Limited.

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2021 £	2020 £
16,250	29,250

LORIMER CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Ultimate parent undertaking and controlling party

Sanctuary Housing Association is regarded by the directors as being the company's ultimate parent undertaking and controlling party.

The company is included by full consolidation in the consolidated financial statements of its ultimate parent, Sanctuary Housing Association registered at Sanctuary House, Chamber Court, Castle Street, Worcester, WR1 3ZQ, England. Copies of the consolidated financial statements are available at this 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.