

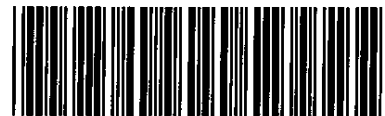
Limited Liability Partnership registration number: OC386960 (England and Wales)

HIGHPOINT CARE HOLDINGS LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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HIGHPOINT CARE HOLDINGS LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members Dr Hemant Kumar Patel
 Dr Katherine Mary Patel

LLP registration number OC386960

Registered office Colliers Croft
 Clipsley Lane
 Haydock
 St Helens
 Merseyside

Auditors Barlow Andrews LLP
 Carlyle House
 78 Chorley New Road
 Bolton

HIGHPOINT CARE HOLDINGS LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The members present their report and the consolidated financial statements for the year ended 30 September 2022.

Firm structure

The LLP is a limited liability partnership registered in England and Wales.

Principal activity

The principal activity of the limited liability partnership is that of a holding entity of trading subsidiary companies. The principal activity of the group is the provision of nursing home care.

Designated members

The members who held office during the year were as follows:

Dr Hemant Kumar Patel

Dr Katherine Mary Patel

Fair review of the business

The turnover of the business has continued to increase. The group's profit has also increased from the previous period.

The group, in line with other care homes around the country, continued to receive grants from councils during the year to provide support.

The group's income derives partly from the private funds of residents and partly from councils providing funding for care. The members are aware that with budget cuts, the amounts received by councils is unlikely to keep up with inflation and continue to actively look to attract residents with private funding. Billing is completed on a regular cycle, both to the residents and councils, and amounts outstanding are pursued.

Regular management figures are prepared to assess the profitability of the business and review cash flow.

Despite the easing of Covid restrictions nationwide, the group has still had to focus on limiting the spread of Covid-19 and other infections within the care homes. Due to this controlled environment and the lesser impact of Covid-19 in the current year, trading results have improved as occupancy has increased and there has been less staff sickness. It is envisaged that over the next financial year trading results will continue to improve.

The group's key financial and other performance indicators during the year were as follows:

	Unit	2022	2021
Turnover	£	4,908,742	4,280,685
Gross profit margin	%	46	43

We are satisfied with the trading results but are mindful of keeping our focus for the coming years activities.

Future developments

There are no plans to further develop the care homes. As they are at full capacity, the members are looking to continue to increase the number of private paying residents to help profitability.

HIGHPOINT CARE HOLDINGS LLP

MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Financial instruments

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

The price risk stems from the weekly funding levels set by the councils for residents who are not totally self-funding. The group is attempting to manage this risk by actively seeking more self-funding residents due to the high level of care they seek to provide.

The credit risk is the risk of a council or resident being unable or refusing to settle a debt with the group. Regular checks on amounts owed are carried out and pursued as appropriate to minimise this risk.

Liquidity and cash flow risks are managed by regular review of the financial information and future income streams to ensure that the business is profitable and debts are being paid on time. Insurance costs are regularly reviewed to ensure that all assets are properly insured in the event of a catastrophe. Ongoing staff training and overview are undertaken to further enhance the group's reputation thus ensuring future income streams.

Members' drawings and the subscription and repayment of members' capital

The net income of the LLP shall be distributed to the members pro-rata to their respective capital contributions. Contributions are made to the LLP as and when required.

Auditor

The auditor, Barlow Andrews LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

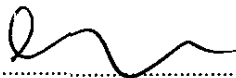
Statement of disclosure to auditor

Each of the members in office at the date of approval of this annual report confirms that:

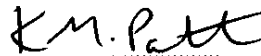
- so far as the members are aware, there is no relevant audit information of which the limited liability partnership's auditor is unaware; and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditor is aware of that information.

This report has been prepared in accordance with the special provisions within Part 15 of the Companies Act 2006 (as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008).

Approved by the members on 21 June 2023 and signed on its behalf by:



Dr Hemant Kumar Patel
Designated member



Dr Katherine Mary Patel
Designated member

HIGHPOINT CARE HOLDINGS LLP

MEMBERS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2022

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members 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 group and limited liability partnership and of the profit or loss of the group and limited liability partnership for that year. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the group and limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the group and limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the group and limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**HIGHPOINT CARE HOLDINGS LLP
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HIGHPOINT CARE HOLDINGS LLP**

Opinion

We have audited the financial statements of Highpoint Care Holdings LLP (the 'limited liability partnership') and its subsidiaries (the 'group') for the year ended 30 September 2022, which comprise the consolidated profit and loss account, consolidated statement of comprehensive income, consolidated statement of changes in equity, LLP statement of changes in equity, consolidated balance sheet, LLP balance sheet, consolidated cash flow statement, LLP cash flow statement, and notes to the financial statements, including 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 group's and of the limited liability partnership's affairs as at 30 September 2022 and of the group's profit 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, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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 group 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 members' 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 limited liability partnership'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 members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. 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.

HIGHPOINT CARE HOLDINGS LLP
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HIGHPOINT CARE HOLDINGS LLP (CONTINUED)

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to the limited liability partnerships 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
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the members' responsibilities statement, the members 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 members 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 members are responsible for assessing the group's and the limited liability partnership'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 members either intend to liquidate the group or the limited liability partnership 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.

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:

- 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 group through discussions with members and other management, and from our commercial knowledge and experience of the care 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 group, including the Companies Act and taxation legislation;

HIGHPOINT CARE HOLDINGS LLP
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HIGHPOINT CARE HOLDINGS LLP (CONTINUED)

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group'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; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

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 documents from relevant regulators.

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 is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**HIGHPOINT CARE HOLDINGS LLP
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HIGHPOINT CARE HOLDINGS LLP (CONTINUED)**

Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership, and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Alison Cornes (Senior Statutory Auditor)
For and on behalf of Barlow Andrews LLP**

**Chartered Accountants
Statutory Auditor**
Carlyle House
78 Chorley New Road
Bolton

21 June 2023

HIGHPOINT CARE HOLDINGS LLP
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Turnover	2	4,908,742	4,280,685
Cost of sales		<u>(2,649,351)</u>	<u>(2,426,354)</u>
Gross profit		2,259,391	1,854,331
Administrative expenses		(1,605,026)	(1,770,672)
Other operating income	3	<u>235,976</u>	<u>393,460</u>
Operating profit	4	890,341	477,119
Other interest receivable and similar income		-	3
Interest payable and similar expenses	5	<u>(332,884)</u>	<u>(257,176)</u>
Profit for the year before taxation and members' remuneration charged as an expense		557,457	219,946
Taxation	9	<u>48,821</u>	<u>89,985</u>
Profit for the year before members' remuneration and profit shares		606,278	309,931
Members' remuneration charged as an expense		<u>(42,560)</u>	<u>(41,605)</u>
Profit for the year available for discretionary division among members		<u>563,718</u>	<u>268,326</u>
Profit attributable to:			
Owners of the parent		<u>563,718</u>	<u>268,326</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

HIGHPOINT CARE HOLDINGS LLP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022 £	2021 £
Profit for the year available for discretionary division among members	563,718	268,326
Gains arising on revaluation of tangible fixed assets	-	5,286,673
Deferred tax on revaluation gains	-	(696,857)
	<hr/>	<hr/>
Total comprehensive income for the year available for discretionary division among members	563,718	4,858,142
	<hr/>	<hr/>
Total comprehensive income attributable to:		
Owners of the parent	563,718	4,858,142
	<hr/>	<hr/>

HIGHPOINT CARE HOLDINGS LLP
CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	15,122,603	15,120,400
Current assets			
Debtors: falling due within one year	12	887,001	733,388
Debtors: falling due after more than one year	12	113,000	65,722
Cash and short-term deposits		2,005	14,131
		<u>1,002,006</u>	<u>813,241</u>
Creditors: Amounts falling due within one year	13	<u>(1,793,290)</u>	<u>(1,835,916)</u>
Net current liabilities		<u>(791,284)</u>	<u>(1,022,675)</u>
Total assets less current liabilities		14,331,319	14,097,725
Creditors: Amounts falling due after more than one year	14	(7,042,953)	(7,085,190)
Provisions for liabilities			
Deferred tax	17	<u>(696,857)</u>	<u>(696,857)</u>
Net assets attributable to members		<u>6,591,509</u>	<u>6,315,678</u>
Represented by:			
Loans and other debts due to members			
Members' other interest		1,839,160	2,127,047
Members' other interests			
Members' capital classified as equity		13,221	13,221
Revaluation reserve		4,589,816	4,589,816
Other reserves		149,312	(414,406)
		<u>4,752,349</u>	<u>4,188,631</u>
		<u>6,591,509</u>	<u>6,315,678</u>
Total members' interests			
Loans and other debts due to members		1,839,160	2,127,047
Equity		<u>4,752,349</u>	<u>4,188,631</u>
		<u>6,591,509</u>	<u>6,315,678</u>

The notes on pages 18 to 35 form an integral part of these financial statements.

HIGHPOINT CARE HOLDINGS LLP
CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2022

The financial statements were approved by the members and authorised for issue on 21 June 2023. They were signed on behalf of the limited liability partnership by:



Dr Hemant Kumar Patel
Designated member



Dr Katherine Mary Patel
Designated member

Limited Liability Partnership Registration No. OC386960

HIGHPOINT CARE HOLDINGS LLP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2022

	£
<u>Loans and other debts due to members</u>	
Balance at 1 October 2020	2,461,157
Repayment of loans	(334,110)
	<hr/>
Balance at 30 September 2021	2,127,047
Repayment of loans	(287,887)
	<hr/>
Balance at 30 September 2022	<u>1,839,160</u>

	Revaluation reserve	Capital	Other amounts	Total equity
	£	£	£	£
<u>Members' other interests</u>				
1 October 2020	-	13,221	(682,732)	(669,511)
Profit available for discretionary division among members	-	-	268,326	268,326
Net surplus on revaluation of fixed assets	4,589,816	-	-	4,589,816
	<hr/>			
Balance at 30 September 2021	4,589,816	13,221	(414,406)	4,188,631
Profit available for discretionary division among members	-	-	563,718	563,718
	<hr/>			
Balance at 30 September 2022	4,589,816	13,221	149,312	4,752,349

The notes on pages 18 to 35 form an integral part of these financial statements.

HIGHPOINT CARE HOLDINGS LLP

LLP BALANCE SHEET AS AT 30 SEPTEMBER 2022

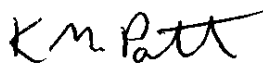
	Note	2022 £	2021 £
Fixed assets			
Investments	11	300	300
Current assets			
Debtors	12	-	74
Cash and short-term deposits		127	127
		<u>127</u>	<u>201</u>
Creditors: Amounts falling due within one year	13	(23,926)	(19,532)
Net current liabilities		<u>(23,799)</u>	<u>(19,331)</u>
Net liabilities attributable to members		<u>(23,499)</u>	<u>(19,031)</u>
Represented by:			
Members' other interests			
Members' capital classified as equity		13,221	13,221
Other reserves		(36,720)	(32,252)
		<u>(23,499)</u>	<u>(19,031)</u>
		<u>(23,499)</u>	<u>(19,031)</u>
Total members' interests			
Equity		<u>(23,499)</u>	<u>(19,031)</u>
		<u>(23,499)</u>	<u>(19,031)</u>

As permitted by section 408 of the Companies Act 2006, as applied to limited liability partnerships, the LLP has opted not to present a separate profit and loss and related notes. The partnership loss for the year, available for discretionary division among members, was £4,468 (2021: £7,887).

The financial statements were approved by the members and authorised for issue on 21 June 2023. They were signed on behalf of the limited liability partnership by:



Dr Hemant Kumar Patel
Designated member



Dr Katherine Mary Patel
Designated member

HIGHPOINT CARE HOLDINGS LLP

LLP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2022

<u>Members' other interests</u>	Capital £	Other amounts £	Total equity £
Balance at 1 October 2020	13,221	(24,365)	(11,144)
Loss available for discretionary division among members	-	(7,887)	(7,887)
Balance at 30 September 2021	13,221	(32,252)	(19,031)
Loss available for discretionary division among members	-	(4,468)	(4,468)
Balance at 30 September 2022	13,221	(36,720)	(23,499)

The notes on pages 18 to 35 form an integral part of these financial statements.

HIGHPOINT CARE HOLDINGS LLP
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Net cash inflow from operating activities	19	<u>1,011,221</u>	<u>1,055,891</u>
Cash flows from financing activities			
Repayment of loans and borrowings		(379,510)	(593,589)
Payment of finance lease obligations		(30,177)	(22,646)
Proceeds from new bank loans		50,000	-
Payments to or on behalf of members		(287,887)	(334,110)
Corporation tax paid		(36,242)	(25,969)
Interest paid		<u>(332,884)</u>	<u>(257,177)</u>
Net cash flows from financing activities		<u>(1,016,700)</u>	<u>(1,233,491)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(54,558)	(196,188)
Sale of tangible fixed assets		-	19,497
Interest received		<u>-</u>	<u>3</u>
Net cash flows from investing activities		<u>(54,558)</u>	<u>(176,688)</u>
Net decrease in cash and cash equivalents		(60,037)	(354,288)
Cash and cash equivalents at 1 October		<u>(127,957)</u>	<u>226,331</u>
Cash and cash equivalents at 30 September		<u><u>(187,994)</u></u>	<u><u>(127,957)</u></u>
Reconciliation to Cash at bank and in hand category movement (adjusted for overdrafts)			
Cash and short-term deposits		2,005	14,131
Bank overdrafts		<u>(189,999)</u>	<u>(142,088)</u>
		<u><u>(187,994)</u></u>	<u><u>(127,957)</u></u>

The notes on pages 18 to 35 form an integral part of these financial statements.

HIGHPOINT CARE HOLDINGS LLP
LLP CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Net cash inflow/(outflow) from operating activities	19	-	103
Cash flows from financing activities			
Capital contributions by members		-	-
Net increase in cash and cash equivalents		-	103
Cash and cash equivalents at 1 October		127	24
Cash and cash equivalents at 30 September		127	127

The notes on pages 18 to 35 form an integral part of these financial statements.

HIGHPOINT CARE HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

Limited liability partnership information

Highpoint Care Holdings LLP is a limited liability partnership incorporated in England and Wales. The registered office is Clipsley Lane, Haydock, St Helens. The nature of the limited liability partnership's operations and its principal activities are given in the members' report.

Statement of compliance

These financial statements were prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in December 2018, together with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Companies Act 2006.

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 using the historical cost convention modified to include land and buildings at fair value.

For the year ended 30 September 2022, Highpoint Care Group Limited (registered number 12008250) and Highpoint Care (Kew) Limited (registered number 10662949) are exempt from the requirement of an audit, by virtue of s479A of the Companies Act 2006, for their individual accounts as Highpoint Care Holdings LLP, the parent undertaking, has provided a guarantee to the relevant subsidiary under s479C in respect of the year ended 30 September 2022.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the limited liability partnership and its subsidiary undertakings drawn up to 30 September 2022.

A subsidiary is an entity controlled by the limited liability partnership. Control is achieved where the limited liability partnership has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

Inter-group transactions and balances between the limited liability partnership and its subsidiaries are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

HIGHPOINT CARE HOLDINGS LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies (continued)

Going concern

As with a number of care homes, the Covid-19 outbreak put significant pressure on the group. Additional safety measures had to be put in place to protect staff and residents and funding from the government came through at a later time, this created pressure on the group's cash flow.

The members and management team have prepared cash flow forecasts for the trading subsidiaries to September 2024 which shows that the group has the necessary liquidity to continue trading for the foreseeable future.

The members have received indicative terms for the reorganisation of the current financing position of the group, which will support the group in its quest to return to a more positive cash position.

Income and expenditure is being monitored on a monthly basis and both the members and management team are aware of the need to maintain a vigilant stance in regard to the cash flow of the group.

Consequently, the members are confident that the group, and its subsidiaries, will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on the going concern basis.

Revenue recognition

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business.

Revenue is recognised on the delivery of care to the homes' residents. Income which is invoiced in advance or arrears is apportioned so that only that relating to the period of the financial statements is included in turnover.

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.

HIGHPOINT CARE HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies (continued)

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.

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 interest. 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.

Once an unavoidable obligation has been created in favour of members through allocation of profits or other means, any undrawn profits remaining at the reporting date are shown as 'Loans and other debts due to members' to the extent they exceed debts due from a specific member.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

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	No depreciation is charged
Plant and equipment	10% straight line
Fixtures and fittings	15%-33% reducing balance
Motor vehicles	25% reducing balance

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 the profit and loss account.

HIGHPOINT CARE HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies (continued)

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity.

Impairment of fixed assets

At each reporting period end date, the LLP reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Investments

In the individual LLP financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and bank overdrafts. Bank overdrafts are shown within current liabilities.

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 FRS102 to all its financial instruments.

Financial instruments are recognised in the balance sheet when the group 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. Financial assets classified as receivable within one year are not amortised.

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.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

HIGHPOINT CARE HOLDINGS LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies (continued)

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 LLP transfers the financial asset and subsequently 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 LLP after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods and 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the LLP's contractual obligations expire or are discharged or cancelled.

Taxation

The taxation payable on the limited liability partnership's profits is the personal liability of the members.

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

The current income 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 country where the companies operate and generate taxable income.

Deferred tax liabilities are recognised in respect of timing differences that exist at the reporting date. Timing differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from the recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

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.

HIGHPOINT CARE HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies (continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

Retirement benefits

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

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of their fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are to be recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Turnover

The analysis of the LLP's revenue for the year is as follows:

	2022 £	2021 £
Fee income – Local Authority and private residents	4,908,742	4,280,685

3 Other operating income

	2022 £	2021 £
Grants received	165,865	355,742
Other operating income	70,111	37,718
	<u>235,976</u>	<u>393,460</u>

HIGHPOINT CARE HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

4 Operating profit

Operating profit is stated after charging/(crediting):

	2022 £	2021 £
Government grants	(165,865)	(355,742)
Operating leases - other assets	83	11,990
Profit on sale of tangible fixed assets	-	(5,694)
Depreciation	62,948	388,423
Auditors remuneration	18,364	22,968

5 Interest payable and similar charges

	2022 £	2021 £
Interest on bank borrowings and overdrafts	330,576	141,005
Interest on other loans	709	113,104
Finance charges	1,599	3,067

6 Particulars of employees

The average number of persons employed by the group during the year, are categorised below. Other than the members there are no employees in the LLP.

	2022 No.	2021 No.
Nursing Staff	95	103
Administration and Support	35	34
Key Management	4	2
Members (who are the directors of trading subsidiaries)	2	2

The aggregate payroll costs were as follows:

	2022 £	2021 £
Wages and salaries	2,724,222	2,657,772
Social security costs	207,948	166,404
Pension costs	51,112	46,782

HIGHPOINT CARE HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

7 Average members

	2022	2021
Average number of members during the year	<u>2</u>	<u>2</u>

8 Auditor's remuneration

	2022 £	2021 £
Audit of the financial statements of the group and the company	5,785	4,955
Audit of the financial statements of the company's subsidiaries	<u>19,095</u>	<u>18,013</u>
	<u>24,880</u>	<u>22,968</u>

HIGHPOINT CARE HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

9 Taxation

Tax charged/(credited) in the income statement

	2022	2021
	£	£
Current taxation		
UK corporation tax for the period	-	7,277
Adjustments in respect of prior periods	(7,277)	-
Deferred taxation		
Arising from origination and reversal of timing differences	(41,544)	(97,262)
Tax receipt in the income statement	<u>(48,821)</u>	<u>(89,985)</u>

The tax for the year is the same as the standard rate of corporation tax in the UK of 19% (2021 - 19%).

The differences are reconciled below:

	2022	2021
	£	£
Profit before tax	<u>544,887</u>	<u>219,946</u>
Corporation tax at standard rate	103,529	33,885
Effect of expense not deductible in determining taxable profit (tax loss)	1,241	2,835
Permanent capital allowances in excess of depreciation	(70,503)	(32,514)
Tax effect of utilisation of losses not previously recognised	(75,811)	-
Tax (decrease) from effect of unrelieved tax losses carried forward	-	(94,191)
Under/(over) provided in prior years	<u>(7,277)</u>	<u>-</u>
Total tax (credit)/charge	<u>(48,821)</u>	<u>(89,985)</u>

In addition to the amount credited to the profit and loss account, a deferred taxation balance of £696,857 has been recognised directly in other comprehensive income in 2021.

HIGHPOINT CARE HOLDINGS LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

10 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 October 2021	14,795,573	-	121,030	107,189	182,720	15,206,512
Additions	-	42,392	6,041	6,125	10,593	65,151
At 30 September 2022	14,837,965	42,392	127,071	113,314	193,313	15,271,663
Depreciation						
At 1 October 2021	-	-	17,937	26,463	41,712	86,112
Charge for the year	-	-	13,030	12,250	37,668	62,948
At 30 September 2022	-	-	30,967	38,713	79,380	149,060
Net book value						
At 30 September 2022	14,795,573	42,392	96,104	74,601	113,933	15,122,603
At 30 September 2021	14,795,573	-	103,093	80,726	141,008	15,120,400

HIGHPOINT CARE HOLDINGS LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

10 Tangible fixed assets (continued)

Revaluation

The fair value of the group's land and buildings has been arrived at on the basis of valuations carried out on 22 November 2020 by Knight Frank - who are not connected to the group. The valuation was made on an open market value basis.

The historical cost of the land and buildings is £11,558,912.

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2022 £	2021 £
Motor vehicles	81,637	<u>135,575</u>

HIGHPOINT CARE HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

11 Investments - Partnership only

	£
Cost brought forward and carried forward – Subsidiary undertakings	300

Details of undertakings

Details of the investments in which the limited liability partnership holds 20% or more of the nominal value of any class of share capital are as follows:

Subsidiary undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Highpoint Care Limited 161 Clipsley Lane, Haydock, St Helens, Merseyside, WA11 0JG	Ordinary A and B	100%	Care home
Highpoint Care (West Derby) Limited Damfield Gardens, 1 Bournehurst Drive, Off Damfield Lane, Maghull, Liverpool, L31 3FA	Ordinary	100%	Care home
Highpoint Care (Kew) Limited Damfield Gardens, Damfield Lane, Liverpool, L31 3EL	Ordinary A and B	100%	Not trading
Highpoint Care Group Limited 161 Clipsley Lane, Haydock, St Helens, Merseyside, WA11 0JG	Ordinary A and B	100%	Not trading

Highpoint Care Limited, Highpoint Care (West Derby) Limited and Highpoint Care (Kew) Limited are directly owned by Highpoint Care Group Limited, which is directly owned by Highpoint Care Holdings LLP.

All of the above subsidiaries were incorporated in England and Wales.

HIGHPOINT CARE HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

12 Debtors: Amounts falling due within one year

	Group		Partnership	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	405,332	191,880	-	-
Amounts owed by related parties	103,071	29,436	-	-
Accrued income	163,541	363,972	-	-
Prepayments	95,675	23,959	-	74
Other debtors	975	-	-	-
Deferred tax asset	118,407	124,141	-	-
	<u>887,001</u>	<u>733,388</u>	<u>-</u>	<u>74</u>

12 Debtors: Amounts falling due after more than one year

	Group		Partnership	
	2022	2021	2022	2021
	£	£	£	£
Deferred tax asset	113,000	65,722	-	-
	<u>113,000</u>	<u>65,722</u>	<u>-</u>	<u>-</u>

13 Creditors: Amounts falling due within one year

	Group		Partnership	
	2022	2021	2022	2021
	£	£	£	£
Loans and overdrafts	477,272	731,094	-	-
Obligations under finance leases	55,144	30,177	-	-
Trade creditors	273,422	137,828	-	-
Corporation tax	-	33,248	-	-
Amounts owed to related parties	74,417	27,481	17,866	12,082
Taxation and social security	139,710	85,481	-	-
Other creditors	600,857	632,166	-	-
Accruals and deferred income	172,468	158,441	6,060	7,450
	<u>1,793,290</u>	<u>1,835,916</u>	<u>23,926</u>	<u>19,532</u>

HIGHPOINT CARE HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

13 Creditors: Amounts falling due within one year (continued)

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the group:

	Group		Partnership	
	2022	2021	2022	2021
	£	£	£	£
Bank overdraft	189,999	142,088	-	-
Bank loans	277,070	575,571	-	-
Obligations under finance leases	55,144	30,177	-	-
Other loans	10,203	13,436	-	-
	<u>532,416</u>	<u>761,272</u>	<u>-</u>	<u>-</u>

14 Creditors: Amounts falling due after more than one year

	Group		Partnership	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	6,595,273	6,605,916	-	-
Obligations under finance leases	23,962	79,106	-	-
Other loans	8,347	14,787	-	-
Accruals and deferred income	415,371	385,381	-	-
	<u>7,042,953</u>	<u>7,085,190</u>	<u>-</u>	<u>-</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the limited liability partnership:

	Group		Partnership	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	6,595,273	6,605,916	-	-
Obligations under finance leases	23,962	79,106	-	-
Other loans	8,347	14,787	-	-
	<u>6,627,582</u>	<u>6,699,809</u>	<u>-</u>	<u>-</u>

HIGHPOINT CARE HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

The bank loans, totalling £6,872,343 across the group (2021: £7,181,487), are secured by a legal first charge over the properties owned by Highpoint Care Limited and Highpoint Care (West Derby) Limited and a fixed and floating charge over the remaining assets of these companies. The carrying value of the properties is £13,810,998.

These bank loans are denominated in Sterling with margin interest rates between 3.2% and 3.5% above base rate. The repayments are capital and interest with the final repayment for the vast majority being due by July 2023 and the remainder due by July 2025.

Following the year end, the group has renegotiated the bank facilities and as such the amounts due within one year represent the capital amounts repayable under the new proposed arrangements.

The bank loans, along with the overdraft facilities totalling £189,999 across the group (2021: £142,088), are supported by cross guarantees between Highpoint Care Limited and Highpoint Care (West Derby) Limited, with debentures creating a fixed and floating charge over the assets of both companies to secure their debt.

The bank overdrafts are also supported by a personal guarantee from one of the members up to a maximum, across the group, of £150,000.

The other loans are denominated in Sterling with interest rates of up to 8.0%. The final repayment of these loans is due in April 2025.

15 Finance lease obligations

Future minimum lease payments due under finance leases:

	2022	2021
	£	£
Within one year	55,144	30,177
In two to five years	23,962	79,106
	<u>79,106</u>	<u>109,283</u>

Obligations under finance leases are secured on the assets which they relate to. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis.

HIGHPOINT CARE HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

16 Analysis of changes in net debt

Group

	At 1 October 2021 £	Financing cash flows £	At 30 September 2022 £
Cash at bank	14,131	(12,126)	2,005
Bank overdrafts	(142,088)	(47,911)	(189,999)
Borrowings excluding overdrafts	(7,209,710)	318,817	(6,890,893)
Lease liabilities	(109,283)	30,177	(79,106)
Net debt (before members' debt)	(7,446,950)	288,957	(7,157,993)
Net debt	(7,446,950)	288,957	(7,157,993)

17 Provisions

Group

	Deferred taxation £	Total £
Deferred tax on revaluation of land and buildings	696,857	696,857
At 30 September 2021 and 30 September 2022	696,857	696,857

Included in note 13 is a deferred tax asset of £231,407 (2021: £189,863) in relation to other timing differences.

HIGHPOINT CARE HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

18 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £51,112 (2021: £46,782).

The pensions payable by the group at the year end were £18,580 (2021: £16,697).

19 Notes to the cash flow statement

Group

	2022 £	2021 £
Profit for the year	563,718	268,326
Depreciation, amortisation and impairment charges	62,948	388,423
Profit on disposal of fixed assets	-	(5,694)
Taxation charged	(48,821)	(89,985)
Interest payable	332,884	298,780
Amounts payable to members	29,990	41,605
Increase in debtors	(159,351)	(93,528)
Increase in creditors	229,853	247,964
Cash generated from operating activities	<u>1,011,221</u>	<u>1,055,891</u>

Partnership

	2022 £	2021 £
Loss for the year	(4,468)	(7,887)
Increase in debtors	74	(74)
Increase in creditors	4,394	8,064
Cash generated from operating activities	<u>-</u>	<u>103</u>

20 Revaluation Reserve

The revaluation reserve consists of cumulative revaluation gains in respect of land and buildings, net of deferred taxation.

HIGHPOINT CARE HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

21 Related party transactions

Group

Key management compensation

	2022	2021
	£	£
Salaries and other short term employee benefits	113,308	121,771

Other companies owned by the members who control the group

Monies have been loaned to and from related entities. In all cases, the loans are unsecured, non-interest bearing and repayable on demand. In addition, the group charged £70,111 (2021: £37,718) for management services, being the recharge of employment expenses incurred by the group for a family member who carried out work on behalf of the related parties.

The amounts owed by related parties at year end was £103,071 (2021: £29,436). The amounts owed to related parties at the year end was £74,417 (2021: £27,481).

22 Control

The members are the controlling party by virtue of their controlling interest in the limited liability partnership. The ultimate controlling party is the same as the controlling party.