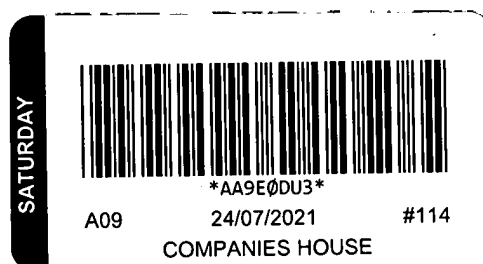


Company Registration No. 03864182 (England and Wales)

OURRIS PROPERTIES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



OURRIS PROPERTIES LIMITED

COMPANY INFORMATION

Directors Melis Ourris
Elena Makrides
Mr Chrisostomos Ourris (Appointed 24 June 2020)

Secretary Anastasia Ourris

Company number 03864182

Registered office 283 Green Lanes
Palmers Green
London
N13 4XS

Auditor Georgiades Charalambou & Co LLP
283 Green Lanes
Palmers Green
London
N13 4XS

Business address 73 Trent Gardens
Southgate
London
N14 4QB

Bankers Barclays Bank Plc
852/858 High Road
Lower Tottenham
London
N17 0EY

OURRIS PROPERTIES LIMITED

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OURRIS PROPERTIES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the Year ended 31 December 2020.

Fair review of the business

Ourris Properties is a leading care home operator in North London, providing nursing and residential care to the elderly. It has more than 80 rooms with en-suite facilities.

The coronavirus (Covid-19) pandemic has had a profound impact on the care industry. The home has faced challenges never seen before in terms of infection controls, home admission and continuance of providing safe care. The turnover for the year amounted to £4,047,541 (2019: £4,212,875). The company's profit before tax for the year amounted to £524,546 (2019: £701,342). The directors monitor the gross profit margin as a key performance indicator and note a disappointing decrease in the year from 33% to 24%. However, steps have been taken to improve the gross profit margin by diversifying the business and improving operational efficiencies with the intention of restoring margins to those achieved in prior years. The company faces increasing wage pressures due to increasing national minimum wage levels, shortage of qualified staff and the impact of Brexit on the availability of staff.

The results for the period are set out on page 10. The operating profit for the year amounted to £575,184 (2019: £877,439). Operating profit has decreased by 34% compared to that of 2019.

The company has a healthy financial position. As at the year end, the company has reserves of £7,537,318 (2019: £7,184,141).

Key performance indicators

KPIs	Aim	2020	2019
Gross profit	To improve gross profit margin.	24%	33%
Operating margin	To improve the margin.	14%	21%
Home occupancy	To maintain occupancy rates above 95%	88%	99%

OURRIS PROPERTIES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Principal risks and uncertainties

The health care industry faces a number of potential business risks and uncertainties due to its susceptibility to external factors and general economic conditions which may have a significant impact on the performance. The directors are aware of the risks and are taking measures to mitigate the impact of the risks.

Covid-19 has had significant impact on operation of the home due to its vulnerability to infections. Despite the challenges the home managed to put in place infection control measures from early in the pandemic and continues to provide its vital services to the public. As the virus continues so are the risks to care homes.

The directors have considered the risk and impact of the pandemic on the staff and customers of the company. They continue to follow government and local authority guidelines and increase training of staff to mitigate the risk to both staff and residents of the care home.

Risks	Impact on the company	Mitigation
Regulatory risks	The company's main activity is subject to regulations and compliance checks by the Care Quality Commission. Adverse finding can have impact on the business operations.	The directors have set up a system to monitor the regulatory requirements of the Care Quality Commission and regularly carry out reviews and checks to ensure compliance. Staff are trained on regulatory requirements on a regular basis.
Reliance on few major customers	The company's reliance on few local authorities can have a major impact on its activities should local authorities not renew contracts or face budgetary pressure.	The company continues to diversify its business activities and increase its customer base including the private sector.
Reputational risks	Adverse publicity may impact the operations of the company and profitability.	The company maintains a risk register including reputational risks. The management reviews them on a regular basis on how they are mitigated through quality of service and training of staff members.

Future developments

The company is continually looking towards developing the care home and its surroundings to maintain its status as one of the leading care homes in the North London.

Joint venture

In an effort to diversify the business, the management has entered into a joint venture to purchase and develop residential property for resale. The project is on going at the year end.

OURRIS PROPERTIES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial Instruments

The company's principal financial instruments comprise bank balances, trade debtors, trade creditors and bank loans. The main purpose of these instruments is to provide finance for its day to day operations. Due to the nature of these financial instruments there is little exposure to price risks other than normal inflationary risks. The trade creditor liquidity risks are managed by ensuring sufficient funds are available to meet the amounts due.

On behalf of the board



Elena Makrides

Director

21 July 2021

OURRIS PROPERTIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the Year ended 31 December 2020.

Principal activities

The principal activity of the company continued to be that of a nursing home.

Directors

The directors who held office during the Year and up to the date of signature of the financial statements were as follows:

Melis Ourris

Elena Makrides

Mr Chrisostomos Ourris

(Appointed 24 June 2020)

Results and dividends

The results for the Year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Research and development

The company has not undertaken any research and development activities during the reporting period.

Post reporting date events

There were no material events after the end of the reporting period.

Auditor

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

OURRIS PROPERTIES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Disclosure of information in the strategic report.

The company has chosen in accordance with s.414C(11) Companies Act 2006 set out in the company's strategic report information required by Schedule 7 of the Large and Medium-size Companies and Groups (Accounts and Reports) Regulation 2008 to be contained in the directors' report. It has done so in respect of financial instruments and future developments.

On behalf of the board



Elena Makrides
Director

21 July 2021

OURRIS PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OURRIS PROPERTIES LIMITED

Opinion

We have audited the financial statements of Ourris Properties Limited (the 'company') for the Year ended 31 December 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows 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 Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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 our audit:

- the information given in the strategic report and the directors' report for the financial Year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

OURRIS PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OURRIS PROPERTIES LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

OURRIS PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OURRIS PROPERTIES LIMITED

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 extent to which the audit was considered capable of detecting irregularities including fraud

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 management, and from our 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 company, including the Companies Act 2006, Care Act 2014, CQC regulations, taxation legislation, data protection, employment 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; 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 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 the accounting estimates set out in **note 2** 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;
- reading the minutes of meetings of those charged with governance;
- reading inspection reports by CQC;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the care quality commission and company's legal advisors.

OURRIS PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF OURRIS PROPERTIES LIMITED

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Panagiotis Georgiades (Senior Statutory Auditor)
for and on behalf of Georgiades Charalambou & Co LLP

21 July 2021

Chartered Certified Accountants
Statutory Auditor

283 Green Lanes
Palmers Green
London
N13 4XS

OURRIS PROPERTIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

		Year ended 31 December 2020 £	Year ended 31 December 2019 £
	Notes		
Turnover	3	4,047,541	4,212,875
Cost of sales		(3,061,367)	(2,837,057)
Gross profit		986,174	1,375,818
Administrative expenses		(741,392)	(631,888)
Other operating income		330,402	133,509
Operating profit	4	575,184	877,439
Interest payable and similar expenses	8	(50,638)	(70,347)
Amounts written off investments	9	-	(105,750)
Profit before taxation		524,546	701,342
Tax on profit	10	(171,369)	(160,187)
Profit for the financial Year		353,177	541,155

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

OURRIS PROPERTIES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12	5,974,377		6,093,104	
Investment properties	13	2,579,250		2,579,250	
Investments	14	1,011,250		699,593	
		<u>9,564,877</u>		<u>9,371,947</u>	
Current assets					
Debtors	15	427,981		237,045	
Cash at bank and in hand		823,981		1,072,282	
		<u>1,251,962</u>		<u>1,309,327</u>	
Creditors: amounts falling due within one year	16	(905,476)		(840,733)	
Net current assets			346,486		468,594
Total assets less current liabilities			9,911,363		9,840,541
Creditors: amounts falling due after more than one year	17	(1,887,175)		(2,220,434)	
Provisions for liabilities	19	(485,870)		(434,966)	
Net assets			<u>7,538,318</u>		<u>7,185,141</u>
Capital and reserves					
Called up share capital	22	1,000		1,000	
Other reserves	23	1,626,638		1,753,389	
Profit and loss reserves	24	5,910,680		5,430,752	
Total equity			<u>7,538,318</u>		<u>7,185,141</u>

The financial statements were approved by the board of directors and authorised for issue on 21 July 2021 and are signed on its behalf by:



Elena Makrides
Director

Company Registration No. 03864182

OURRIS PROPERTIES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 January 2019		1,000	2,218,267	4,500,820	6,720,087
Year ended 31 December 2019:					
Profit and total comprehensive income for the year		-	-	541,155	541,155
Dividends	11	-	-	(76,101)	(76,101)
Other movements		-	(464,878)	464,878	-
Balance at 31 December 2019		1,000	1,753,389	5,430,752	7,185,141
Period ended 31 December 2020:					
Profit and total comprehensive income for the period		-	-	353,177	353,177
Other movements		-	(126,751)	126,751	-
Balance at 31 December 2020		1,000	1,626,638	5,910,680	7,538,318

OURRIS PROPERTIES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	26	632,740		1,336,538	
Interest paid		(50,638)		(70,347)	
Income taxes paid		(179,842)		(182,293)	
Net cash inflow from operating activities		402,260		1,083,898	
Investing activities					
Purchase of tangible fixed assets		(33,738)		(3,554)	
Purchase of joint ventures		(311,657)		(108,248)	
Net cash used in investing activities		(345,395)		(111,802)	
Financing activities					
Repayment of bank loans		(305,166)		(285,907)	
Dividends paid		-		(76,101)	
Net cash used in financing activities		(305,166)		(362,008)	
Net (decrease)/increase in cash and cash equivalents		(248,301)		610,088	
Cash and cash equivalents at beginning of Year		1,072,282		462,194	
Cash and cash equivalents at end of Year		823,981		1,072,282	

OURRIS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Ourriss Properties Limited is a private company limited by shares incorporated in England and Wales. The registered office is 283 Green Lanes, Palmers Green, London, N13 4XS.

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.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the next 12 months from the date of approval. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents fee income receivable for care services and is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business and is shown net of taxes and discounts.

Turnover is recognised in the year in which the company obtains the right to consideration for the services provided under the contracts have been delivered and recorded at the value of consideration due.

When payments are received in advance of the service provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Revenue from rental properties are recognised based on occupancy during the year as per the rental agreement.

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.

1.4 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.

OURRIS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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 buildings	35 years to residual value
Fixtures fittings and equipment	25% Reducing balance basis
Motor vehicles	25% Reducing balance basis

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.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.6 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.

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

1.7 Impairment of fixed assets

At each reporting period end date, the company 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 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.

1.9 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.

OURRIS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

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.

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 the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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 company 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 company after deducting all of its liabilities.

OURRIS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

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 being measured at 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 company's contractual obligations expire or are discharged or cancelled.

1.10 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.

1.11 Taxation

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

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.

OURRIS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

1.14 Leases

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.

1.15 Client money

Money held in trust on behalf of residents is not included in the financial statements.

OURRIS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.16 Related parties

For the purpose of these financial statements, a party is considered to be related to the company if:

- the party has the ability, directly or indirectly, through one or more intermediaries, to control the company or exercise significant influence over the company in making financial and operating policy decisions, or has joint control over the company.
- the party is a close family member of a party referred to is an entity under the control, joint control or significant influence of such individuals
- the company and the party are subject to common control.
- the party is an associate of the company or a joint venture in which the company is a venturer.
- the party is a member of key management personnel of the company, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals.
- the party is a post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company.
- the party, or any member of a group of which it is part, provides key management personnel services to the company or its parent.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Property plant and equipments and depreciation

Investment properties are valued at fair value, land and building valued at cost and depreciated over its estimated useful life. Calculation of these values and useful life requires judgements to be made, which include comparing values and useful life of similar properties, economic environment, price trend and market values.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Property, plant and equipment

Determining value of investment property requires and estimation of market value or value in use of the cash generating units. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value.

OURRIS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020 £	2019 £
Turnover analysed by class of business		
Residential home care	4,047,541	4,212,875

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

4 Operating profit

	2020 £	2019 £
Operating profit for the period is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements.	8,000	8,000
Depreciation of owned tangible fixed assets	152,465	155,024

5 Other operating income

	2020 £	2019 £
Rent receivable	171,756	133,509
Corona virus grants	158,646	-
Total income	330,402	133,509

6 Employees

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

	2020 Number	2019 Number
Care staff	105	103
Administrative staff	4	4
Total	109	107

OURRIS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2020	2019
		£	£
	Wages and salaries	2,511,957	2,294,845
	Social security costs	219,105	198,301
	Pension costs	42,531	37,071
		<u>2,773,593</u>	<u>2,530,217</u>
7	Directors' remuneration		
		2020	2019
		£	£
	Remuneration for qualifying services	191,384	120,000
	Company pension contributions to defined contribution schemes	1,314	1,199
		<u>192,698</u>	<u>121,199</u>
	The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 1).		
8	Interest payable and similar expenses		
		2020	2019
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	50,606	70,347
	Other finance costs:		
	Other interest	32	-
		<u>50,638</u>	<u>70,347</u>
9	Amounts written off investments		
	fixed asset investments	2020	2019
		£	£
	Changes in the fair value of investment properties	-	(105,750)
10	Taxation		
		2020	2019
		£	£
	Current tax		
	UK corporation tax on profits for the current period	120,465	179,842

OURRIS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Taxation	(Continued)	
	2020 £	2019 £
Deferred tax		
Origination and reversal of timing differences	50,904	(19,655)
	<u> </u>	<u> </u>
Total tax charge	171,369	160,187
	<u> </u>	<u> </u>

The actual charge for the Year can be reconciled to the expected charge for the Year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	524,546	701,342
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	99,664	133,255
Depreciation on assets not qualifying for tax allowances	20,054	25,778
Effect of revaluations of investments	-	20,092
Effect of expenses not deductible for tax purposes	747	717
Deferred tax provision movement	50,904	(19,655)
	<u> </u>	<u> </u>
Taxation charge for the period	171,369	160,187
	<u> </u>	<u> </u>

11 Dividends	2020 £	2019 £
Final paid	-	76,101
	<u> </u>	<u> </u>

OURRIS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Tangible fixed assets

	Freehold buildings	Fixtures fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2020	6,839,510	439,699	37,143	7,316,352
Additions	-	33,738	-	33,738
At 31 December 2020	6,839,510	473,437	37,143	7,350,090
Depreciation and impairment				
At 1 January 2020	819,925	381,378	21,945	1,223,248
Depreciation charged in the Year	131,112	17,553	3,800	152,465
At 31 December 2020	951,037	398,931	25,745	1,375,713
Carrying amount				
At 31 December 2020	5,888,473	74,506	11,398	5,974,377
At 31 December 2019	6,019,585	58,321	15,198	6,093,104

13 Investment property

	2020 £
Fair value	
At 1 January 2020 and 31 December 2020	2,579,250

The property has been valued on an open market existing use basis. The valuation is not based on a valuation by an independent valuer. If the properties were included in the balance sheet on historical cost basis, then the carrying amount would be £466,733 (2019: £466,733)

14 Fixed asset investments

Notes	2020 £	2019 £
Investments in joint ventures	1,011,250	699,593

OURRIS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings and participating interests £
Cost or valuation	
At 1 January 2020	699,593
Additions	311,657
	<hr/>
At 31 December 2020	1,011,250
	<hr/>
Carrying amount	
At 31 December 2020	1,011,250
	<hr/>
At 31 December 2019	699,593
	<hr/>

15 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	184,476	65,807
Other debtors	7,768	7,870
Prepayments and accrued income	235,737	163,368
	<hr/>	<hr/>
	427,981	237,045
	<hr/>	<hr/>

16 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans	18	314,000	285,907
Trade creditors		41,241	42,987
Corporation tax		120,465	179,842
Other taxation and social security		50,914	45,822
Other creditors		176,473	101,128
Accruals and deferred income		202,383	185,047
		<hr/>	<hr/>
		905,476	840,733
		<hr/>	<hr/>

OURRIS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans and overdrafts	18	1,887,175	2,220,434

18 Loans and overdrafts

	2020 £	2019 £
Bank loans	2,201,175	2,506,341
Payable within one year	314,000	285,907
Payable after one year	1,887,175	2,220,434

Bank loans comprise:

	Maturity date	Effective Interest rate	2020 £	2019 £
Floating rate bank loan	2022	2.25%+Base rate	1,222,500	1,384,482
Floating rate bank loan	2023	1.7%+Base rate	110,775	148,811
Floating rate bank loan	2028	1.50%+Base rate	867,900	973,048

Included within creditors: amounts falling due after more than one year is an amount of £328,960 (2019: £479,958) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The bank loans are secured by a fixed and floating charge over the company's assets. A personal guarantee has also been given by the director and a cross guarantee and debenture also exist with a connected company Ourris Residential Homes Limited.

19 Provisions for liabilities

	Notes	2020 £	2019 £
Deferred tax liabilities	20	485,870	434,966

OURRIS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Accelerated capital allowances	84,492	75,838
Investment property fair valuation	401,378	359,128
	<u>485,870</u>	<u>434,966</u>
Movements in the Year:		2020 £
Liability at 1 January 2020		434,966
Charge to profit or loss		50,904
Liability at 31 December 2020		<u>485,870</u>

The deferred tax liability set out above is not expected to reverse within 12 months and relates to fair valuation of investment properties that are not expected to be realised within the same period.

21 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>42,531</u>	<u>37,071</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At the balance sheet date, unpaid contributions of £16,312 (2019: - £14,173) were due to the fund. They are included in other creditors.

22 Share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

OURRIS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

23 Other reserves

	£
At the beginning of the prior Year	2,218,267
Other movements	(464,878)
At the end of the prior Year	1,753,389
Other movements	(126,751)
At the end of the current Year	1,626,638

The other reserves relates to total fair value adjustments of investment properties. The movement in the other reserves relates to provision for deferred tax and fair value adjustment during the year.

24 Profit and loss reserves

	2020 £	2019 £
At the beginning of the Year	5,430,752	4,500,820
Profit for the Year	353,177	541,155
Dividends declared and paid in the Year	-	(76,101)
Other	126,751	464,878
At the end of the Year	5,910,680	5,430,752

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	192,698	121,199

OURRIS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

26 Cash generated from operations

	2020 £	2019 £
Profit for the Year after tax	353,177	541,155
Adjustments for:		
Taxation charged	171,369	160,187
Finance costs	50,638	70,347
Depreciation and impairment of tangible fixed assets	152,465	155,024
Amounts written off investments	-	105,750
Movements in working capital:		
(Increase)/decrease in debtors	(190,936)	210,243
Increase in creditors	96,027	93,832
Cash generated from operations	<u>632,740</u>	<u>1,336,538</u>