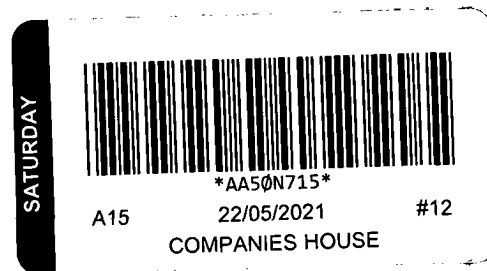


BRAMLEY COURT (CARE HOMES) LIMITED  
FINANCIAL STATEMENTS  
30 SEPTEMBER 2020



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**BRAMLEY COURT (CARE HOMES) LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	P H Scott G K Sizer
<b>Company secretary</b>	G K Sizer
<b>Registered number</b>	05107197
<b>Registered office</b>	2nd Floor 16 High Street Yarm Cleveland TS15 9AE
<b>Independent auditors</b>	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditor York House Northallerton North Yorkshire DL6 2XQ

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**BRAMLEY COURT (CARE HOMES) LIMITED**

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## **BRAMLEY COURT (CARE HOMES) LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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#### **Introduction**

The directors present their report and the financial statements of the company for the year ended 30 September 2020.

#### **Business review**

The principal activity of the company during the current and prior year was the operation of care homes for the elderly.

The business has had a challenging year dealing with the Covid-19 outbreak. The company has 110 available beds. At March 2020, 109 beds were occupied by residents (99.1% occupancy) but by 30 April 2020 this had sadly reduced to 80 occupied beds (72.7% occupancy). By the year end occupancy has increased to 93 occupied beds (84.5% occupancy).

In terms of outlook, the directors remain committed to the totem of 'quality and profit being synonymous'. We continue to focus on maximising occupancy whilst continuously improving the level of service offered. as individual homes achieve capacity and satisfactory regulatory reports, the strategy remains thereafter to improve fee rate mix by using natural occupancy churn to offer bed space to the highest potential fee payer. We continue to attempt to improve private to public fee payer mix.

In tandem service enhancements continue such as the introduction of CCTV monitoring and supernumerary deputy managers with a very specific focus on daily and weekly in house quality audit, staff training and supervision, staff roster management and appraisal.

Our objective remains to have all homes performing at budgeted occupancy, with excellent regulatory reports, with positive local reputations as a result. Year on year we expect incremental improvement in average fee rate and steady improvement in EBITDA contribution as a result.

#### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks and uncertainties and steps are undertaken to understand and evaluate these in order to achieve our objective of providing excellent, affordable long-term care in the communities where we operate.

The key risks faced by the company are:

- failure to comply with regulation, possibly leading in extreme cases to loss of registration to operate;
- failure to achieve quality standards, possibly leading to suspension of admissions to our home;
- generating severe negative publicity were a serious incident to occur at one of our homes;
- budgeted occupancy levels not being achieved with negative impact on revenue and profitability;
- average weekly fees do not keep pace with cost inflation, putting margins under pressure; and
- failure to recruit, retain and motivate the correct quality of care staff, adversely impacting the quality of care provided;

Due to the current size of the business, these risks are managed by day to day involvement in the operation of the homes by the directors. The company also contracts with a quality audit assessor to independently assess and grade each aspect of our care service against the regulatory standards. Monthly review meetings are held between the Managing Director and each Home Manager to monitor the performance of each home against its operating budget and to review and update the home's action plan, which is a permanently evolving control document.

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## BRAMLEY COURT (CARE HOMES) LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

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#### Financial key performance indicators

The key performance indicators (KPIs) that are used by the company to monitor progress against its strategy and business plan are as follows:

##### KPI Description

- **Quality outcome**

Assessment of each home using our own internal audit assessment tool, conducted by an independent consultant on a monthly basis, as well as having regard to those assessments and inspections by external agencies (contracting authorities and regulators, CQC). At year end our CQC quality rating was 'Good'.

- **Average occupancy**

The average occupancy of available beds expressed as a percentage, 89.1% (2019 - 99.1%)

- **Average weekly fee**

The average weekly fee achieved per occupied bed, £918 per week (2019 - £889 per week)

- **Home EBITDAR before central costs**

Home EBITDAR (Earnings before interest, tax, depreciation, amortisation and rent) before central costs. EBITDAR during the year was £1,009,340 (2019 29 days to 30 September - £93,997)

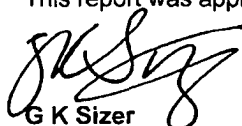
- **EBITDAR margin**

Home EBITDAR before central costs expressed as a percentage of revenue, 21.5% (2019 - 23.4%)

EBITDAR before central costs and EBITDAR margin have been impacted by above inflationary pay awards to our own nursing and care staff together with the impact of the Covid-19 pandemic.

The directors wish to express their gratitude to the House Managers and dedicated and committed staff working within the care homes. Their incredible efforts have allowed us to continue to provide a quality care service during the most testing of times.

This report was approved by the board and signed on its behalf.



G K Sizer  
Director

Date: 13 May 2021

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## **BRAMLEY COURT (CARE HOMES) LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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The directors present their report and the financial statements for the year ended 30 September 2020.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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 to 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.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £826,653 (2019 - £70,330).

#### **Directors**

The directors who served during the year were:

P H Scott  
G K Sizer

#### **Future developments**

The directors believe sector outlook remains positive. Demographic analysis confirms an ageing population and the incidence of dementia is forever increasing as a percentage of overall client morbidity. Zest continues to increase dementia registration categories as a response to this building demographic. Health and Social care budgets for public sector supported clients won't increase materially over the next few years as public finances remain tight which in essence increases the number of people self-funding and/or paying a top up.

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## BRAMLEY COURT (CARE HOMES) LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

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#### Employment Policies

The company gives full consideration to applications for employment from disabled persons and provides the same career prospects and scope for realising their potential as other employees. Where existing employees become disabled, it is the company's policy wherever practical to provide continuing employment under normal terms and conditions and to provide training, career development and promotion wherever possible. During the year, the policy of providing employees with information about the company was improved to make all employees aware of financial and economic factors affecting the performance of the company, with regular meetings being held between management and employees.

#### Matters covered in the strategic report

Information is not shown in the directors' report because it is shown in the strategic report instead under S414C (11). The strategic report includes a business review, principal risks and uncertainties and financial key performance indicators.

#### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

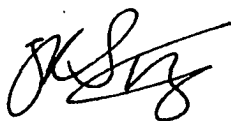
#### Post balance sheet events

There have been no significant events affecting the Company since the year end.

#### Auditors

The auditors, Armstrong Watson Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



G K Sizer  
Director

Date: 13 May 2021

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## **BRAMLEY COURT (CARE HOMES) LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRAMLEY COURT (CARE HOMES) LIMITED**

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#### **Opinion**

We have audited the financial statements of Bramley Court (Care Homes) Limited (the 'Company') for the year ended 30 September 2020, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, 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 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 Company's affairs as at 30 September 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.



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## **BRAMLEY COURT (CARE HOMES) LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRAMLEY COURT (CARE HOMES) LIMITED (CONTINUED)**

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#### **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 Auditors' 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.*

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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.

#### **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 or the Directors' report.

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

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

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## BRAMLEY COURT (CARE HOMES) LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRAMLEY COURT (CARE HOMES) LIMITED (CONTINUED)

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#### Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 3, 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.


#### Auditors' 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 Auditors' 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.

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

#### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Turner (Senior statutory auditor)

for and on behalf of

**Armstrong Watson Audit Limited**

Chartered Accountants & Statutory Auditor

Northallerton

Date: 14 May 2021

**BRAMLEY COURT (CARE HOMES) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	4,704,579	401,576
		<u>4,704,579</u>	<u>401,576</u>
<b>Cost of sales</b>			
Home payroll costs		(3,035,038)	(248,611)
Home running costs		(660,200)	(58,989)
		<u>1,009,341</u>	<u>93,976</u>
<b>Gross profit</b>			
<b>Admin expenses</b>			
Central overheads		(64,223)	-
Depreciation		(78,190)	(7,012)
		<u>866,928</u>	<u>86,964</u>
<b>Operating profit</b>			
Tax on profit	7	(40,275)	(16,634)
		<u>826,653</u>	<u>70,330</u>
<b>Profit for the financial year</b>			
		<u>826,653</u>	<u>70,330</u>
Other comprehensive income		(40,201)	-
		<u>786,452</u>	<u>70,330</u>
<b>Total comprehensive income for the year</b>			
		<u>786,452</u>	<u>70,330</u>

The notes on pages 12 to 21 form part of these financial statements.

**BRAMLEY COURT (CARE HOMES) LIMITED**  
**REGISTERED NUMBER: 05107197**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	8	6,078,515	6,122,985
		<u>6,078,515</u>	<u>6,122,985</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	2,368,852	313,944
Cash at bank and in hand	10	89,029	-
		<u>2,457,881</u>	<u>313,944</u>
Creditors: amounts falling due within one year	11	(4,084,930)	(2,807,885)
<b>Net current liabilities</b>		<u>(1,627,049)</u>	<u>(2,493,941)</u>
<b>Total assets less current liabilities</b>		<u>4,451,466</u>	<u>3,629,044</u>
<b>Provisions for liabilities</b>			
Deferred Taxation		(362,259)	(326,289)
		<u>(362,259)</u>	<u>(326,289)</u>
<b>Net assets</b>		<u><u>4,089,207</u></u>	<u><u>3,302,755</u></u>
<b>Capital and reserves</b>			
Called up share capital	13	1	1
Other reserves		2,766,288	2,806,489
Profit and loss account		1,322,918	496,265
		<u><u>4,089,207</u></u>	<u><u>3,302,755</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



G K Sizer  
Director

13 May 2021

The notes on pages 12 to 21 form part of these financial statements.

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**BRAMLEY COURT (CARE HOMES) LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2019	1	2,806,489	496,265	3,302,755
Profit for the year	-	-	826,653	826,653
Other comprehensive income	-	(40,201)	-	(40,201)
<b>At 30 September 2020</b>	<b>1</b>	<b>2,766,288</b>	<b>1,322,918</b>	<b>4,089,207</b>

The notes on pages 12 to 21 form part of these financial statements.

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**BRAMLEY COURT (CARE HOMES) LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2018	1	2,806,489	425,935	3,232,425
Profit for the year	-	-	70,330	70,330
<b>At 30 September 2019</b>	<b>1</b>	<b>2,806,489</b>	<b>496,265</b>	<b>3,302,755</b>

The notes on pages 12 to 21 form part of these financial statements.

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## **BRAMLEY COURT (CARE HOMES) LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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#### **1. General information**

The company is a private company limited by shares incorporated and domiciled in the United Kingdom. It trades from its registered office address at 2nd Floor, Tirrem House, 16 High Street, Yarm, Cleaveland, TS15 9AE.

The company's principal activity is the operation of care homes for the elderly.

These financial statements have been prepared in Pound Sterling as this is the currency of the primary economic environment in which the company operates.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Zest Investment Group Limited as at 30 September 2020 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, Wales, CF14 3UZ..

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## BRAMLEY COURT (CARE HOMES) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

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## 2. Accounting policies (continued)

### 2.3 Going concern

The directors have prepared the financial statements on a going concern basis. This assessment was made after taking account of all factors including consideration of the impact of COVID 19. In assessing these factors management have, for a period of at least twelve months from financial statement approval:

- Prepared profit and loss budgets that demonstrate the continued generation of operating cashflows at an EBITDA contribution level
- Considered the adequacy of these budgets in light of actual performance during the 2021 calendar year to date
- Reviewed and secured third party funding support
- Prepared cash flow forecasts that show after the settlement of non operating cash obligations continued financial headroom based on current available funds and facilities.
- Obtained a letter of support from its parent company and sufficed themselves that said support is highly probable if required

In doing so the directors have sufficed themselves that the Company will meet its obligations for a period of at least twelve months from date of approval of these financial statements, and that in doing so they have considered that any uncertainty in the economy, including due to COVID 19, will not materially change this assessment.

### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

#### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.



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## BRAMLEY COURT (CARE HOMES) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

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## 2. Accounting policies (continued)

### 2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 3-4 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

### 2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### 2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### 2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

### 2.9 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

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## BRAMLEY COURT (CARE HOMES) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

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## 2. Accounting policies (continued)

### 2.10 Pensions

#### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

### 2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

### 2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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**BRAMLEY COURT (CARE HOMES) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of these financial statements require management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical expenses and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will be, by definition, seldom equal to the related actual results.

The directors consider that material estimates and judgements are applied in assessing for impairment of freehold property. The directors assess whether there are any indicators that the carrying value of the freehold property exceeds the recoverable amount in the financial statements. If there are any indicators of impairment a formal impairment review is undertaken, for example assessing the net realisable value against market data.

**4. Turnover**

The whole of the turnover is attributable to the provision of care homes for the elderly.

All turnover arose within the United Kingdom.

**5. Auditors' remuneration**

The audit fee has been borne by another company within the group headed by Zest Investment Group Limited.

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**BRAMLEY COURT (CARE HOMES) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. Employees**

The aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	2,463,716	231,222
Social security costs	178,947	13,851
Cost of defined contribution scheme	43,679	3,538
	<u>2,686,342</u>	<u>248,611</u>

The average monthly number of employees, including directors, during the year was 140 (2019 - 136).

No emoluments were received or are receivable by any director in respect of these services during the current or preceding year.

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Average number of employees	<u>140</u>	<u>136</u>

**7. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	44,506	16,857
	<u>44,506</u>	<u>16,857</u>
<b>Total current tax</b>	<u>44,506</u>	<u>16,857</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(2,417)	(258)
Changes to tax rates	(1,814)	35
<b>Total deferred tax</b>	<u>(4,231)</u>	<u>(223)</u>
<b>Taxation on profit on ordinary activities</b>	<u>40,275</u>	<u>16,634</u>

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**BRAMLEY COURT (CARE HOMES) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**7. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>866,928</u>	<u>86,964</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	164,716	16,523
<b>Effects of:</b>		
Tax rate changes	(1,814)	35
Expenses not deductible	2,411	-
Effects of group relief	(132,983)	-
Transfer pricing adjustments	7,945	-
Origination and reversal of timing differences	-	76
<b>Total tax charge for the year</b>	<u>40,275</u>	<u>16,634</u>

**Factors that may affect future tax charges**

An increase in the UK corporate tax from 19% to 25% was announced in the 2021 budget, this is scheduled to take effect from April 2023. However, this will only come into effect for entities with a taxable profit of over £50,000.

**BRAMLEY COURT (CARE HOMES) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Tangible fixed assets**

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 October 2019	6,000,000	41,870	962,262	7,004,132
Additions	-	-	33,720	33,720
At 30 September 2020	6,000,000	41,870	995,982	7,037,852
<b>Depreciation</b>				
At 1 October 2019	-	41,870	839,277	881,147
Charge for the year on owned assets	-	-	78,190	78,190
At 30 September 2020	-	41,870	917,467	959,337
<b>Net book value</b>				
At 30 September 2020	6,000,000	-	78,515	6,078,515
At 30 September 2019	6,000,000	-	122,985	6,122,985

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Freehold	6,000,000	6,000,000
	6,000,000	6,000,000

**9. Debtors**

	2020 £	2019 £
Trade debtors	333,046	185,956
Amounts owed by group undertakings	1,960,061	113,956
Prepayments and accrued income	75,745	14,032
	2,368,852	313,944

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**BRAMLEY COURT (CARE HOMES) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. Debtors (continued)**

Amounts owed by group undertakings have no repayment date and are repayable on demand bearing no interest.

**10. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	89,029	-
	<u>89,029</u>	<u>-</u>

**11. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	137,269	68,560
Amounts owed to group undertakings	3,509,577	2,506,910
Corporation tax	61,363	16,857
Other taxation and social security	76,690	37,352
Other creditors	240,896	159,129
Accruals and deferred income	59,135	19,077
	<u>4,084,930</u>	<u>2,807,885</u>

Amounts due to group undertakings have no repayment date and are repayable on demand bearing no interest.

**12. Deferred taxation**

	2020 £
At beginning of year	(326,289)
Charged to profit or loss	4,231
Charged to other comprehensive income	(40,201)
At end of year	<u>(362,259)</u>

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**BRAMLEY COURT (CARE HOMES) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. Deferred taxation (continued)**

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(362,259)	(326,289)
	<u>(362,259)</u>	<u>(326,289)</u>

**13. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
1 (2019 - 1) Ordinary share share of £1.00	1	1
	<u>1</u>	<u>1</u>

**14. Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £43,679 (2019: £3,538). Contributions totalling £16,969 (2019: £8,010) were payable to the fund at the reporting date and are included in creditors.

**15. Related party transactions**

The company has taken advantage of the exemption contained in Section 33 of FRS 102 "Related Party Disclosure" from the entities which are part of the group, since 100% of the voting rights in the company are controlled within the group and the company is included within the group accounts which are publically available.

**16. Controlling party**

The directors regard Zest Investment Group Limited, a company incorporated in the United Kingdom and registered in England and Wales, as being the company's immediate and ultimate parent company and is the parent company of the largest and smallest group which includes the company. The registered office address of this entity is 2nd Floor, 16 High Street, Yarm, Cleveland, TS15 9AE. Copies of the group financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

Zest Investment Group Limited is jointly controlled by Mr G Sizer and the trustees of the Lauser Settlement, each of whom hold 50% of the issued share capital of the company.