

Registration number: 02728066

Cranford Care Homes Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 May 2017



Whitnalls

Chartered Certified Accountants

1st Floor, Cotton House

Old Hall Street

Liverpool

L3 9TX

Cranford Care Homes Limited

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Cranford Care Homes Limited

Company Information for the Year Ended 31 May 2017

Directors	M R Varma
	P K Varma
Company secretary	V C Varma
Registered office	Huyton Hey Manor Residential Home Huyton Hey Road Huyton Liverpool Merseyside L36 5RZ
Accountants	Whitnalls Chartered Certified Accountants 1st Floor, Cotton House Old Hall Street Liverpool L3 9TX

Cranford Care Homes Limited

(Registration number: 02728066)

Balance Sheet as at 31 May 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	1,470,650	1,401,347
Current assets			
Debtors	5	414,964	153,108
Cash at bank and in hand		116,407	84,250
		531,371	237,358
Creditors: Amounts falling due within one year	6	(502,831)	(135,724)
Net current assets		28,540	101,634
Total assets less current liabilities		1,499,190	1,502,981
Creditors: Amounts falling due after more than one year	6	(510,071)	(525,728)
Provisions for liabilities		(5,968)	-
Net assets		983,151	977,253
Capital and reserves			
Called up share capital		340,002	340,002
Profit and loss account		643,149	637,251
Total equity		983,151	977,253

For the financial year ending 31 May 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

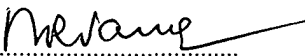
The notes on pages 4 to 9 form an integral part of these financial statements.

Cranford Care Homes Limited

(Registration number: 02728066)

Balance Sheet as at 31 May 2017

Approved and authorised by the Board on 23/4/18 and signed on its behalf by:


.....
M R Varma
Director

Cranford Care Homes Limited

Notes to the Financial Statements for the Year Ended 31 May 2017

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Cranford Care Homes Limited

Notes to the Financial Statements for the Year Ended 31 May 2017

Asset class	Depreciation method and rate
Freehold Property	2% p.a. on Straight line basis
Fixtures & Fittings	20% p.a. on Reducing balance basis
Motor Vehicles	25% p.a. on Reducing balance basis
Computer Equipment	33% p.a. on Straight line basis

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Over 10 years

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

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Notes to the Financial Statements for the Year Ended 31 May 2017

Employee Benefit Trusts (EBTS)

The company has established trusts for the benefit of employees and certain of their dependants. Monies held in these trusts are held by independent trustees and managed at their discretion.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

2 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 93 (2016 - 60).

3 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 June 2016	110,000	110,000
At 31 May 2017	110,000	110,000
Amortisation		
At 1 June 2016	110,000	110,000
At 31 May 2017	110,000	110,000
Carrying amount		
At 31 May 2017	-	-

Cranford Care Homes Limited

Notes to the Financial Statements for the Year Ended 31 May 2017

4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 June 2016	1,677,427	197,302	8,034	1,882,763
Additions	95,863	20,206	-	116,069
Disposals	-	(23,752)	(8,034)	(31,786)
At 31 May 2017	<u>1,773,290</u>	<u>193,756</u>	<u>-</u>	<u>1,967,046</u>
Depreciation				
At 1 June 2016	312,562	160,880	7,974	481,416
Charge for the year	34,950	9,767	-	44,717
Eliminated on disposal	-	(21,763)	(7,974)	(29,737)
At 31 May 2017	<u>347,512</u>	<u>148,884</u>	<u>-</u>	<u>496,396</u>
Carrying amount				
At 31 May 2017	<u>1,425,778</u>	<u>44,872</u>	<u>-</u>	<u>1,470,650</u>
At 31 May 2016	<u>1,364,865</u>	<u>36,422</u>	<u>60</u>	<u>1,401,347</u>

Included within the net book value of land and buildings above is £1,425,778 (2016 - £1,364,865) in respect of freehold land and buildings.

5 Debtors

	Note	2017 £	2016 £
Trade debtors		275,301	135,323
Amounts owed by group undertakings and undertakings in which the company has a participating interest		2,429	-
Prepayments		16,853	12,272
Other debtors		<u>120,381</u>	<u>5,513</u>
		<u>414,964</u>	<u>153,108</u>

Cranford Care Homes Limited

Notes to the Financial Statements for the Year Ended 31 May 2017

6 Creditors

Creditors: amounts falling due within one year

	Note	2017 £	2016 £
Due within one year			
Loans and borrowings	7	371,658	20,294
Trade creditors		32,102	24,062
Amounts owed to group undertakings and undertakings in which the company has a participating interest		-	761
Taxation and social security		4,851	8,667
Accruals and deferred income		94,220	81,241
Other creditors		-	699
		<u>502,831</u>	<u>135,724</u>

Creditors: amounts falling due after more than one year

	Note	2017 £	2016 £
Due after one year			
Loans and borrowings	7	<u>510,071</u>	<u>525,728</u>

7 Loans and borrowings

	2017 £	2016 £
Current loans and borrowings		
Bank borrowings	17,580	19,615
Other borrowings	<u>354,078</u>	<u>679</u>
	<u>371,658</u>	<u>20,294</u>
Non-current loans and borrowings		
Bank borrowings	425,071	440,728
Other borrowings	<u>85,000</u>	<u>85,000</u>
	<u>510,071</u>	<u>525,728</u>

Cranford Care Homes Limited

Notes to the Financial Statements for the Year Ended 31 May 2017

8 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>340,002</u>	<u>340,002</u>	<u>340,002</u>	<u>340,002</u>

9 Transition to FRS 102

No adjustments were made to the reported financial position and performance of the company on its first-time adoption of FRS102 Section 1A.