

Cranford Care Homes Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 May 2021

Whitnalls

Chartered Certified Accountants

Trident House
105 Derby Road
Liverpool
L20 8LZ

Cranford Care Homes Limited

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Cranford Care Homes Limited

Company Information for the Year Ended 31 May 2021

Directors M R Varma
P K Roberts

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
Trident House
105 Derby Road
Liverpool
L20 8LZ

Cranford Care Homes Limited
(Registration number: 02728066)
Balance Sheet as at 31 May 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	<u>4</u>	1,316,690	1,359,672
Current assets			
Debtors	<u>5</u>	352,917	463,632
Cash at bank and in hand		276,209	359,790
		629,126	823,422
Creditors: Amounts falling due within one year	<u>6</u>	(561,330)	(802,901)
Net current assets		67,796	20,521
Total assets less current liabilities		1,384,486	1,380,193
Creditors: Amounts falling due after more than one year	<u>6</u>	(430,630)	(451,852)
Provisions for liabilities		(5,071)	(6,245)
Net assets		948,785	922,096
Capital and reserves			
Called up share capital	<u>8</u>	340,002	340,002
Profit and loss account		608,783	582,094
Shareholders' funds		948,785	922,096

For the financial year ending 31 May 2021 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.

Cranford Care Homes Limited
(Registration number: 02728066)
Balance Sheet as at 31 May 2021

Approved and authorised by the Board on 19 November 2021 and signed on its behalf by:

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M R Varma

Director

Cranford Care Homes Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2021

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.

Exemption from preparing group accounts

The company has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that it is a small sized group.

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 balance sheet 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.

Cranford Care Homes Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2021

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:

Asset class	Depreciation method and rate
Freehold Property	2% p.a. on Straight line basis
Fixtures & Fittings	20% 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.

2 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 89 (2020 - 96).

Cranford Care Homes Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2021

3 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 June 2020	110,000	110,000
At 31 May 2021	110,000	110,000
Amortisation		
At 1 June 2020	110,000	110,000
At 31 May 2021	110,000	110,000
Carrying amount		
At 31 May 2021	-	-

4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 June 2020	1,773,290	219,169	1,992,459
At 31 May 2021	1,773,290	219,169	1,992,459
Depreciation			
At 1 June 2020	453,910	178,877	632,787
Charge for the year	35,466	7,516	42,982
At 31 May 2021	489,376	186,393	675,769
Carrying amount			
At 31 May 2021	1,283,914	32,776	1,316,690
At 31 May 2020	1,319,380	40,292	1,359,672

Included within the net book value of land and buildings above is £1,283,914 (2020 - £1,319,381) in respect of freehold land and buildings.

Cranford Care Homes Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2021

5 Debtors

	Note	2021 £	2020 £
Trade debtors		315,627	408,854
Amounts owed by group undertakings and undertakings in which the company has a participating interest		-	28,059
Prepayments		37,290	19,596
Other debtors		-	7,123
		352,917	463,632

6 Creditors

Creditors: amounts falling due within one year

	Note	2021 £	2020 £
Due within one year			
Loans and borrowings	<u>7</u>	271,500	558,883
Trade creditors		16,700	13,002
Amounts owed to group undertakings and undertakings in which the company has a participating interest		5,245	-
Taxation and social security		83,038	72,675
Accruals and deferred income		184,847	158,341
		561,330	802,901

Creditors include bank loans which are secured in the sum of £20,723 (2020 £20,723).

Creditors: amounts falling due after more than one year

	Note	2021 £	2020 £
Due after one year			
Loans and borrowings	<u>7</u>	430,630	451,852

Creditors include bank loans which are secured in the sum of £345,629 (2020 £366,852).

Cranford Care Homes Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2021

7 Loans and borrowings

	2021 £	2020 £
Current loans and borrowings		
Bank borrowings	20,723	20,723
Other borrowings	250,777	538,160
	<u>271,500</u>	<u>558,883</u>

	2021 £	2020 £
Non-current loans and borrowings		
Bank borrowings	345,630	366,852
Other borrowings	85,000	85,000
	<u>430,630</u>	<u>451,852</u>

8 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	340,002	340,002	340,002	340,002
	<u>340,002</u>	<u>340,002</u>	<u>340,002</u>	<u>340,002</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.