

Company Registration No. 6549810 (England and Wales)

**EASTGATE CARE DEVELOPMENTS LTD**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**  
**PAGES FOR FILING WITH REGISTRAR**

# EASTGATE CARE DEVELOPMENTS LTD

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# EASTGATE CARE DEVELOPMENTS LTD

## BALANCE SHEET

AS AT 30 SEPTEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Current assets</b>					
Debtors falling due after more than one year	4	85,307		-	
Debtors falling due within one year	4	481,324		629,780	
		<u>566,631</u>		<u>629,780</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(377,012)</u>		<u>(451,389)</u>	
<b>Net current assets</b>			<u>189,619</u>		<u>178,391</u>
<b>Capital and reserves</b>					
Called up share capital			100		100
Profit and loss reserves			<u>189,519</u>		<u>178,291</u>
<b>Total equity</b>			<u>189,619</u>		<u>178,391</u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 September 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the director and authorised for issue on 21 September 2021

Mr J W Day  
**Director**

**Company Registration No. 6549810**

# EASTGATE CARE DEVELOPMENTS LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### 1 Accounting policies

#### Company information

Eastgate Care Developments Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 2 Regan Way, Chetwynd Business Park, Chilwell, Nottingham, United Kingdom, NG9 6RZ.

#### 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

Eastgate Care Developments Ltd is a wholly owned subsidiary of Eastgate Care Group Ltd and the results of Eastgate Care Developments Ltd are included in the consolidated financial statements of Eastgate Care Group Limited which are available from its registered office, 2 Regan Way, Chetwynd Business Park, Chilwell, Nottingham, NG9 6RZ.

#### 1.2 Going concern

The company's current assets exceeded its current liabilities by £189,619 as at 30 September 2020 (2019: £178,391). Eastgate Care Developments Limited is reliant on the support of Eastgate Care Group Limited, which in turn is reliant on the trading performance of the principal trading subsidiary, Eastgate Care Limited.

The trading performance of Eastgate Care Limited has declined since the period end and there is a risk around future trading results and cash flows. The director has been reviewing his retirement options and has taken independent advice in regard to the options available, one of which is to sell the care homes either as a group or individually. The bank has clearly noted its desire to be repaid and in the absence of the opportunity to refinance, the director has decided to pursue a sale of the homes owned by Eastgate Care Limited as a going concern to achieve repayment of the bank borrowing and extract shareholder value. This strategy requires the support of the bank until the homes are sold.

On this basis, the director has a reasonable expectation that Eastgate Care Limited has adequate resources to continue in operational existence for the foreseeable future until the homes are sold. For this reason he continues to adopt the going concern basis of accounting in preparing the financial statements of Eastgate Care Limited. The director therefore continues to adopt the going concern basis of accounting in preparing the financial statements of Eastgate Care Developments Limited in the expectation that adequate support will be forthcoming from the parent company.

#### 1.3 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.

# EASTGATE CARE DEVELOPMENTS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### 1 Accounting policies

(Continued)

#### 1.4 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.

##### **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.

##### **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.

##### **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.

#### 1.5 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.

#### 1.6 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.

# EASTGATE CARE DEVELOPMENTS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 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.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

### 3 Employees

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

	2020 Number	2019 Number
Total	1	1

### 4 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Corporation tax recoverable	-	82,952
Amounts owed by group undertakings	161,183	233,935
Other debtors	320,141	312,893
	<u>481,324</u>	<u>629,780</u>

# EASTGATE CARE DEVELOPMENTS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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4 Debtors	(Continued)	
	2020	2019
	£	£
Amounts falling due after more than one year:		
Corporation tax recoverable	85,307	-
	<u>85,307</u>	<u>-</u>
<b>Total debtors</b>	<b>566,631</b>	<b>629,780</b>
	<u>566,631</u>	<u>629,780</u>
5 Creditors: amounts falling due within one year	2020	2019
	£	£
Bank loans	-	76,806
Trade creditors	1,500	-
Amounts owed to group undertakings	365,414	365,414
Corporation tax	7,848	5,169
Accruals and deferred income	2,250	4,000
	<u>377,012</u>	<u>451,389</u>
	<u>377,012</u>	<u>451,389</u>

Aggregate of secured liabilities £Nil (2019: £76,806).

Bank loans and overdrafts are secured against the property held by the company. There are also guarantees in place from the director personally and group undertakings.

### 6 Financial commitments, guarantees and contingent liabilities

The company has cross guarantees in place with related companies in respect of borrowings outstanding at the year end. The maximum liability is £Nil (2019: £76,806).

### 7 Events after the reporting date

On the 11 March 2020 the World Health Organisation declared the novel outbreak of Covid-19 as a global pandemic which has resulted in unprecedented consequences. The future implications of the Covid-19 pandemic continue to remain unclear and it is therefore difficult to evaluate the likely effect on the company's trade, customers, suppliers and the wider economy. However as detailed within the going concern accounting policy, the Directors' assessment at that date of approval of these financial statements is that the virus does not create a material uncertainty as to going concern.

# EASTGATE CARE DEVELOPMENTS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### 8 Related party transactions

#### Balances with related parties

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties		Amounts owed to related parties	
	2020	2019	2020	2019
	£	£	£	£
Entities with control, joint control or significant influence over the company	161,183	233,935	-	-

#### Other information

The company has taken advantage of the exemption in Section 33.1A of FRS102 to not disclose transactions with wholly owned subsidiaries within the group.

### 9 Directors' transactions

Advances or credits have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Interest charged £	Closing balance £
Loan	2.50	289,869	7,246	297,115
		<u>289,869</u>	<u>7,246</u>	<u>297,115</u>

The loans are unsecured and repayable on demand.

### 10 Parent company

The parent company of Eastgate Care Developments Ltd is Eastgate Care Group Ltd and its registered office is 2 Regan Way, Chetwynd Business Park, Chilwell, Nottingham, NG9 6RZ.

The ultimate controlling party is the Director, Mr J Day, who controls 100% of the share capital of Eastgate Care Group Ltd.

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.