

Victoria Lodge Care Home Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 May 2017

Mr Piyush Patel
Chartered Certified Accountant
4 Arkwright Road
Sanderstead
Surrey
CR2 0LD

Victoria Lodge Care Home Limited

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Victoria Lodge Care Home Limited

Company Information

Chairman	Mrs V A Patel
Directors	Mr A Patel Mrs M Patel Mrs V A Patel Mr A Patel
Registered office	4 Arkwright Road Sanderstead Surrey CR2 0LD
Accountants	Mr Piyush Patel Chartered Certified Accountant 4 Arkwright Road Sanderstead Surrey CR2 0LD

Victoria Lodge Care Home Limited

(Registration number: 7253187)

Balance Sheet as at 31 May 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	<u>4</u>	227,500	245,000
Tangible assets	<u>5</u>	974,032	878,987
		<u>1,201,532</u>	<u>1,123,987</u>
Current assets			
Stocks	<u>6</u>	795	775
Debtors	<u>7</u>	33,151	41,239
Cash at bank and in hand		15,823	320
		<u>49,769</u>	<u>42,334</u>
Creditors: Amounts falling due within one year	<u>8</u>	<u>(1,666,567)</u>	<u>(1,659,568)</u>
Net current liabilities		<u>(1,616,798)</u>	<u>(1,617,234)</u>
Net liabilities		<u>(415,266)</u>	<u>(493,247)</u>
Capital and reserves			
Called up share capital		100	100
Revaluation reserve		179,126	-
Profit and loss account		<u>(594,492)</u>	<u>(493,347)</u>
Total equity		<u>(415,266)</u>	<u>(493,247)</u>

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 11 form an integral part of these financial statements.

Victoria Lodge Care Home Limited

(Registration number: 7253187)

Balance Sheet as at 31 May 2017

Approved and authorised by the Board on 26 February 2018 and signed on its behalf by:

.....

Mrs V A Patel

Chairman

The notes on pages 4 to 11 form an integral part of these financial statements.

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Victoria Lodge Care Home Limited

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

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

4 Arkwright Road
Sanderstead
Surrey
CR2 0LD

The principal place of business is:

48-50 Shakespeare Road
Worthing
West Sussex
BN11 4AS

These financial statements were authorised for issue by the Board on 26 February 2018.

2 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.

Going concern

The financial statements have been prepared on a going concern basis.

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 sales/value added tax, 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 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.

Victoria Lodge Care Home Limited

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

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, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

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:

Asset class	Depreciation method and rate
Land and building	2.5% of cost
Fixture and fittings	15% of cost
Office equipment	15% of cost

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	5% of cost

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Victoria Lodge Care Home Limited

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

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

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.

Victoria Lodge Care Home Limited

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

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 26 (2016 - 29).

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 June 2016	350,000	350,000
At 31 May 2017	350,000	350,000
Amortisation		
At 1 June 2016	105,000	105,000
Amortisation charge	17,500	17,500
At 31 May 2017	122,500	122,500
Carrying amount		
At 31 May 2017	227,500	227,500
At 31 May 2016	245,000	245,000

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2016 - £Nil).

Revalued assets for the year ended 31 May 2017

Revalued assets for the year ended 31 May 2016

Victoria Lodge Care Home Limited

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

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 June 2016	1,000,728	256,420	-	1,257,148
Revaluations	149,272	-	-	149,272
Additions	-	-	2,200	2,200
At 31 May 2017	1,150,000	256,420	2,200	1,408,620
Depreciation				
At 1 June 2016	150,109	228,052	-	378,161
Charge for the year	28,750	27,237	440	56,427
At 31 May 2017	178,859	255,289	440	434,588
Carrying amount				
At 31 May 2017	971,141	1,131	1,760	974,032
At 31 May 2016	850,619	28,368	-	878,987

Included within the net book value of land and buildings above is £971,141 (2016 - £850,619) in respect of freehold land and buildings.

Revaluation

The fair value of the company's Land and building was revalued on 12 October 2015 by an independent valuer. . The name and qualification of the independent valuer are Pinders Professionals & Consultancy Services Limited RICS..

Had this class of asset been measured on a historical cost basis, the carrying amount would have been £1,000,728 (2016 - £1,000,728).

6 Stocks

	2017 £	2016 £
Finished goods and goods for resale	795	775

7 Debtors

	2017 £	2016 £
Trade debtors	33,151	37,489
Other debtors	-	3,750

Victoria Lodge Care Home Limited

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

8 Creditors

Creditors: amounts falling due within one year

	Note	2017 £	2016 £
Due within one year			
Bank loans and overdrafts	<u>10</u>	921,051	927,051
Trade creditors		6,573	391
Taxation and social security		5,264	5,903
Accruals and deferred income		1,200	1,080
Other creditors		732,479	725,143
		<u>1,666,567</u>	<u>1,659,568</u>

9 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

10 Loans and borrowings

	2017 £	2016 £
Current loans and borrowings		
Bank borrowings	<u>921,051</u>	<u>927,051</u>

11 Related party transactions

Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £	2016 £
Remuneration	<u>25,883</u>	<u>25,000</u>

12 Transition to FRS 102

Balance Sheet at 1 June 2015

Victoria Lodge Care Home Limited

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

	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Intangible assets	262,500	-	-	262,500
Tangible assets	942,119	-	-	942,119
	<u>1,204,619</u>	<u>-</u>	<u>-</u>	<u>1,204,619</u>
Current assets				
Stocks	725	-	-	725
Debtors	43,572	-	-	43,572
Cash at bank and in hand	142	-	-	142
	<u>44,439</u>	<u>-</u>	<u>-</u>	<u>44,439</u>
Creditors: Amounts falling due within one year	<u>(1,686,153)</u>	<u>-</u>	<u>-</u>	<u>(1,686,153)</u>
Net current liabilities	<u>(1,641,714)</u>	<u>-</u>	<u>-</u>	<u>(1,641,714)</u>
Net liabilities	<u>(437,095)</u>	<u>-</u>	<u>-</u>	<u>(437,095)</u>
Capital and reserves				
Called up share capital	100	-	-	100
Profit and loss account	<u>(437,195)</u>	<u>-</u>	<u>-</u>	<u>(437,195)</u>
Total equity	<u>(437,095)</u>	<u>-</u>	<u>-</u>	<u>(437,095)</u>

Victoria Lodge Care Home Limited

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

Balance Sheet at 31 May 2016

	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Intangible assets	245,000	-	-	245,000
Tangible assets	878,987	-	-	878,987
	<u>1,123,987</u>	<u>-</u>	<u>-</u>	<u>1,123,987</u>
Current assets				
Stocks	775	-	-	775
Debtors	41,239	-	-	41,239
Cash at bank and in hand	320	-	-	320
	<u>42,334</u>	<u>-</u>	<u>-</u>	<u>42,334</u>
Creditors: Amounts falling due within one year	<u>(1,659,568)</u>	<u>-</u>	<u>-</u>	<u>(1,659,568)</u>
Net current liabilities	<u>(1,617,234)</u>	<u>-</u>	<u>-</u>	<u>(1,617,234)</u>
Net liabilities	<u>(493,247)</u>	<u>-</u>	<u>-</u>	<u>(493,247)</u>
Capital and reserves				
Called up share capital	100	-	-	100
Profit and loss account	<u>(493,347)</u>	<u>-</u>	<u>-</u>	<u>(493,347)</u>
Total equity	<u>(493,247)</u>	<u>-</u>	<u>-</u>	<u>(493,247)</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.