

SOUTHERN COUNTIES CARE LIMITED

AUDITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED
23 DECEMBER 2016**



Chartered Accountants and
Chartered Tax Advisers
Statutory Auditors

SOUTHERN COUNTIES CARE LIMITED

COMPANY INFORMATION

Directors	S Jeebun Z Jeebun
Company secretary	Z Jeebun
Registered number	02213016
Registered office	Image Court 328-334 Moseley Road Surrey KT12 3LT
Independent auditors	Wellden Turnbull Ltd Munro House Portsmouth Road Cobham Surrey KT11 1PP

SOUTHERN COUNTIES CARE LIMITED

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SOUTHERN COUNTIES CARE LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 23 DECEMBER 2016

Introduction

The directors present their strategic report for the period ended 22 December 2016.

The company is engaged in the provision of nursing care and accommodation to the elderly.

Business review

The results for the period which are set out in the profit and loss account show an operating loss before exceptional items of £903,042 (2015 - profit of £337,318).

The company has intangible assets and tangible fixed assets and investments valued in the financial statements at net book value amounting to £438,225 (2015 - £517,903), £6,223,324 (2015 - £6,376,158) and £208,000 (2015 - £208,000) respectively. The directors consider the company's financial position at the period end to be satisfactory.

Key performance indicators

Given the nature of the business the company's directors are of the opinion that key performance indicators are important. The company uses a number of indicators to monitor and improve development performance or the position of the business. Indicators are reviewed and altered to meet changes both in the internal and external environments. The directors do not consider the inclusion of an analysis using key performance indicators to be necessary to assist users of the financial statements in their understanding of the financial performance or position of the company.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to the continued provision of adequate government funding.

The directors constantly monitor the company's trading results and revise projections as appropriate to ensure that the company can meet its future obligations as they fall due.

The company is exposed to credit and cash flow risks associated with trading and manages these through credit control procedures. The nature of its financial instruments means that prices and liquidity risks are minimised by the predetermination of the company funding facilities and terms. The board monitors the company's trading results with a view to ensuring that the company can meet its future obligations as they fall due.

Financial key performance indicators

Loss before taxation: £(1,012,040)

Interest: £108,998

Additional income: £0

Operating loss: £(903,042)

EBITDA: £(639,061)

Gross profit margin (%): 0.56%

Net profit margin (%): (48.52)%

The average weekly fee per bed was around £653.42 per week.

SOUTHERN COUNTIES CARE LIMITED

Other key performance indicators

During the period, average occupancy was 43.57%.

The ratio between private, social services and CCG for the company is as follows:

Private 10.77%

Social services 0.69%

CCG 88.53%

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

S Jeebun

Director

Date: 23 August 2018

SOUTHERN COUNTIES CARE LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 23 DECEMBER 2016

The directors present their report and the financial statements for the period ended 23 December 2016.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgments 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 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

The loss for the period, after taxation, amounted to £919,395 (2015 - profit £115,931).

Directors

The directors who served during the period were:

S Jeebun
Z Jeebun

Post balance sheet events

In May 2017 the company sold one of its homes for £3.5m. Another home was closed at the beginning of 2018 for refurbishment, due to re-open mid September 2018.

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 that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that 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.

Auditors

The auditors, Wellden Turnbull Ltd, will be proposed for appointment in accordance with section 485 of the Companies Act 2006.

SOUTHERN COUNTIES CARE LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 23 DECEMBER 2016**

This report was approved by the board on 23 August 2018 and signed on its behalf.

S Jeebun
Director

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SOUTHERN COUNTIES CARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SOUTHERN COUNTIES CARE LIMITED

We have audited the financial statements of Southern Counties Care Limited for the period ended 23 December 2016, set out on pages 7 to 24. The relevant financial reporting framework that has been applied in their preparation is applicable law and the 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'.

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.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' responsibilities statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 23 December 2016 and of its loss for the period 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.

Opinion on other matter 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 period for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our 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 and the Directors' report.

SOUTHERN COUNTIES CARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SOUTHERN COUNTIES CARE LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Robin John FCA CTA (Senior statutory auditor)

for and on behalf of
Wellden Turnbull Ltd

Munro House
Portsmouth Road
Cobham
Surrey
KT11 1PP

24 August 2018

SOUTHERN COUNTIES CARE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 23 DECEMBER 2016**

	Note	Period ended 23 December 2016 £	31 December 2015 £
Turnover	4	2,085,806	3,342,670
Cost of sales		(2,074,086)	(2,196,757)
Gross profit		<u>11,720</u>	<u>1,145,913</u>
Administrative expenses		(914,762)	(1,326,498)
Operating loss	5	<u>(903,042)</u>	<u>(180,585)</u>
Interest receivable and similar income	9	18	186,495
Interest payable and expenses	10	(109,016)	(358,624)
Exceptional other income	12	-	669,859
(Loss)/profit before tax		<u>(1,012,040)</u>	<u>317,145</u>
Tax on (loss)/profit	11	92,645	(201,214)
(Loss)/profit for the period		<u>(919,395)</u>	<u>115,931</u>
Other comprehensive income for the period			
Unrealised deficit on impairment of tangible fixed assets		(39,089)	(1,377,751)
Total comprehensive income for the period		<u>(958,484)</u>	<u>(1,261,820)</u>

The notes on pages 10 to 24 form part of these financial statements.

SOUTHERN COUNTIES CARE LIMITED
REGISTERED NUMBER:02213016

BALANCE SHEET
AS AT 23 DECEMBER 2016

	Note	23 December 2016 £	31 December 2015 £
Fixed assets			
Intangible assets	13	438,225	517,903
Tangible assets	14	6,223,324	6,376,158
Investments	15	208,000	208,000
		<hr/>	<hr/>
		6,869,549	7,102,061
Current assets			
Debtors: amounts falling due after more than one year	16	2,749,422	3,301,226
Debtors: amounts falling due within one year	16	208,109	261,539
Cash at bank and in hand	17	17,973	95,320
		<hr/>	<hr/>
		2,975,504	3,658,085
Creditors: amounts falling due within one year	18	(959,543)	(867,949)
		<hr/>	<hr/>
Net current assets		2,015,961	2,790,136
		<hr/>	<hr/>
Total assets less current liabilities		8,885,510	9,892,197
Creditors: amounts falling due after more than one year	19	(2,393,408)	(2,480,700)
Provisions for liabilities			
Deferred tax	22	(735,003)	(735,003)
		<hr/>	<hr/>
		(735,003)	(735,003)
		<hr/>	<hr/>
Net assets		<u>5,757,099</u>	<u>6,676,494</u>
Capital and reserves			
Called up share capital		300,000	300,000
Revaluation reserve	24	2,315,447	2,354,536
Profit and loss account	24	3,141,652	4,021,958
		<hr/>	<hr/>
		<u>5,757,099</u>	<u>6,676,494</u>

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

S Jeebun
Director

Date: 23 August 2018

The notes on pages 10 to 24 form part of these financial statements.

SOUTHERN COUNTIES CARE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 23 DECEMBER 2016**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	300,000	2,354,536	4,021,958	6,676,494
Comprehensive income for the period				
Loss for the period	-	-	(919,395)	(919,395)
Transfer to/from profit and loss account	-	-	39,089	39,089
Transfer to/from profit and loss account	-	(39,089)	-	(39,089)
At 23 December 2016	<u>300,000</u>	<u>2,315,447</u>	<u>3,141,652</u>	<u>5,757,099</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2015**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	300,000	3,771,376	3,866,938	7,938,314
Comprehensive income for the year				
Profit for the year	-	-	115,931	115,931
Transfer to/from profit and loss account	-	-	39,089	39,089
Impairment	-	(1,377,751)	-	(1,377,751)
Transfer to/from profit and loss account	-	(39,089)	-	(39,089)
At 31 December 2015	<u>300,000</u>	<u>2,354,536</u>	<u>4,021,958</u>	<u>6,676,494</u>

The notes on pages 10 to 24 form part of these financial statements.

SOUTHERN COUNTIES CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 23 DECEMBER 2016

1. General information

Southern Counties Care Limited is a private company, limited by shares and incorporated in England & Wales, registration number 02213016. The address of the registered office is Image Court, 328-334 Moseley Road, Surrey, KT12 3LT.

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 judgment in applying the Company's accounting policies (see note 3).

These financial statements are presented in sterling, which is the functional currency of the company and rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Compliance with accounting standard

The accounts have been prepared in accordance with the provisions of FRS102. There have been no material deviations from the standard.

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the disclosure exemptions in preparing these financial statements as permitted by 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 33 Related Party Disclosures paragraph 33.7.

This information is included within the consolidated financial statements of Aster Healthcare Ltd. as at 23 December 2016 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 DECEMBER 2016**

2. Accounting policies (continued)

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.

Revenue in relation to fee income is recognised over the period of resident's occupancy in the care home.

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.6 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.

SOUTHERN COUNTIES CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 23 DECEMBER 2016

2. Accounting policies (continued)

2.6 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:

Freehold property	-	1% on cost
Fixtures and fittings	-	7.5 - 33% on cost

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 the Statement of comprehensive income.

2.7 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.8 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

SOUTHERN COUNTIES CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 23 DECEMBER 2016

2. Accounting policies (continued)

2.10 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.

2.11 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.

2.12 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 non-puttable ordinary shares.

2.13 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.

2.14 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.16 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the period in which they are incurred.

2.17 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 the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet 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 Balance sheet.

SOUTHERN COUNTIES CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 23 DECEMBER 2016

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 balance sheet 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 Balance sheet 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 balance sheet date.

2.19 Exceptional items

Exceptional items are transactions that fall outside the ordinary activities of the Company but are presented separately due to their size or incidence.

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

The preparation of financial statements in conformity with UK GAAP requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Estimates and associated assumptions are based on historical experience and various other factors, including expectations of future events, and are believed to be reasonable under the circumstances. The results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements include freehold properties, carried at fair value at the balance sheet date based on open market value, and the carrying value of goodwill which is amortised over a period estimated to be 20 years from date of acquisition.

The directors consider that there are no other material estimations or significant judgment.

4. Turnover

The total turnover of the company has been derived from its principal activity wholly undertaken in the United Kingdom.

SOUTHERN COUNTIES CARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 DECEMBER 2016**

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	Period ended 23 December 2016 £
Depreciation of tangible fixed assets	184,303
Amortisation of intangible assets, including goodwill	79,678
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>5,250</u>

6. Auditors' remuneration

	Period ended 23 December 2016 £	31 December 2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>5,250</u>	<u>4,250</u>

7. Employees

Staff costs were as follows:

	Period ended 23 December 2016 £	31 December 2015 £
Wages and salaries	1,553,651	1,788,080
Social security costs	98,494	48,126
	<u>1,652,145</u>	<u>1,836,206</u>

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

	23 December 2016 No.	31 December 2015 No.
Administration and support	3	6
Care	112	132
	<u>115</u>	<u>138</u>

SOUTHERN COUNTIES CARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 DECEMBER 2016**

8. Directors' remuneration

No directors remuneration was paid during the year (2015 - £NIL).

9. Interest receivable

	Period ended 23 December 2016 £	31 December 2015 £
Interest income on investments	-	186,405
Other interest receivable	18	90
	<u>18</u>	<u>186,495</u>

10. Interest payable and similar expenses

	Period ended 23 December 2016 £	31 December 2015 £
Interest on bank overdrafts and borrowings	<u>109,016</u>	<u>358,624</u>

11. Taxation

	Period ended 23 December 2016 £	31 December 2015 £
Corporation tax		
Current tax on profits for the year	-	239,121
Adjustments in respect of previous periods	(92,645)	(40,023)
Total current tax	<u>(92,645)</u>	<u>199,098</u>
Deferred tax		
Origination and reversal of timing differences	<u>-</u>	<u>2,116</u>
Taxation on (loss)/profit on ordinary activities	<u>(92,645)</u>	<u>201,214</u>

SOUTHERN COUNTIES CARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 DECEMBER 2016**

11. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	Period ended 23 December 2016 £	31 December 2015 £
(Loss)/profit on ordinary activities before tax	<u>(1,012,040)</u>	<u>317,145</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	(202,408)	64,222
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	15,936	168,743
Capital allowances for period/year in excess of depreciation	13,294	8,272
Other differences leading to an increase (decrease) in the tax charge	(8,241)	(40,023)
Group relief	88,774	-
Total tax charge for the period/year	<u><u>(92,645)</u></u>	<u><u>201,214</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Exceptional items

	Period ended 23 December 2016 £	31 December 2015 £
Exceptional income	-	995,671
Impairment of property value	-	(325,812)
	<u>-</u>	<u><u>669,859</u></u>

In the prior year the company received compensation payment for mis-sold financial instruments.

SOUTHERN COUNTIES CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 DECEMBER 2016

13. Intangible assets

	Goodwill £
Cost	
At 1 January 2016	1,593,551
At 23 December 2016	<u>1,593,551</u>
Amortisation	
At 1 January 2016	1,075,648
Charge for the year	79,678
At 23 December 2016	<u>1,155,326</u>
Net book value	
At 23 December 2016	<u>438,225</u>
At 31 December 2015	<u>517,903</u>

SOUTHERN COUNTIES CARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 DECEMBER 2016**

14. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2016	6,219,901	2,088,929	8,308,830
Additions	29,960	1,509	31,469
At 23 December 2016	<u>6,249,861</u>	<u>2,090,438</u>	<u>8,340,299</u>
Depreciation			
At 1 January 2016	25,578	1,907,094	1,932,672
Charge for the period on owned assets	66,662	117,641	184,303
At 23 December 2016	<u>92,240</u>	<u>2,024,735</u>	<u>2,116,975</u>
Net book value			
At 23 December 2016	<u>6,157,621</u>	<u>65,703</u>	<u>6,223,324</u>
At 31 December 2015	<u>6,194,323</u>	<u>181,835</u>	<u>6,376,158</u>

Freehold property includes land of £1,750,000 (2015 - £1,750,000) which is not depreciated.

The last valuation was carried out in November 2013 by a member of RICS who is external to the company. The basis of the valuation was market value with regards to the trading potential.

One of the properties held was sold at the year end date subsequent to the period end for an amount lower than its previous valuation. The property was written down in value in the previous year.

SOUTHERN COUNTIES CARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 DECEMBER 2016**

15. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2016	208,000
	<hr/>
At 23 December 2016	208,000
	<hr/>
 Net book value	
At 23 December 2016	208,000
	<hr/>
At 31 December 2015	208,000
	<hr/>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Southern CC Limited	Ordinary	100 %	Dormant company

SOUTHERN COUNTIES CARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 DECEMBER 2016**

16. Debtors

	23 December 2016 £	31 December 2015 £
Due after more than one year		
Amounts owed by group undertakings	<u>2,749,422</u>	<u>3,301,226</u>
	23 December 2016 £	31 December 2015 £
Due within one year		
Trade debtors	138,581	213,881
Other debtors	13,345	37,226
Prepayments and accrued income	56,183	10,432
	<u>208,109</u>	<u>261,539</u>

17. Cash and cash equivalents

	23 December 2016 £	31 December 2015 £
Cash at bank and in hand	17,973	95,320
Less: bank overdrafts	(25,136)	-
	<u>(7,163)</u>	<u>95,320</u>

18. Creditors: Amounts falling due within one year

	23 December 2016 £	31 December 2015 £
Bank overdrafts	25,136	-
Bank loans	141,387	195,482
Trade creditors	176,875	93,549
Corporation tax	162,962	261,619
Other taxation and social security	17,416	70,271
Other creditors	301,454	91,257
Accruals and deferred income	134,313	155,771
	<u>959,543</u>	<u>867,949</u>

SOUTHERN COUNTIES CARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 DECEMBER 2016**

19. Creditors: Amounts falling due after more than one year

	23 December 2016 £	31 December 2015 £
Bank loans	<u>2,393,408</u>	<u>2,480,700</u>

20. Loans

The bank loan are secured by legal charges over the freehold property owned by the group and by intercompany guarantees between the company and Aster Healthcare Ltd (parent undertaking) and St Dominic's Ltd (fellow subsidiary undertaking of Aster Healthcare Ltd) incorporated legal charges and debentures over the assets of these undertakings.

Included within the bank loans are four long term loans secured as stated above. The loans are repayable in equal monthly installments between October 2007 and November 2027. Interest is charged at 3.3% above the Bank of England base rate.

Analysis of the maturity of loans is given below:

	23 December 2016 £	31 December 2015 £
Amounts falling due within one year	141,387	195,482
Amounts falling due 1-2 years	141,387	195,482
Amounts falling due 2-5 years	424,161	586,446
Amounts falling due after more than 5 years	1,827,860	1,698,772
	<u>2,534,795</u>	<u>2,676,182</u>

SOUTHERN COUNTIES CARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 DECEMBER 2016**

21. Financial instruments

	23 December 2016 £	31 December 2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	17,973	95,320
Financial assets measured at amortised cost	2,901,348	3,529,202
	<u>2,919,321</u>	<u>3,624,522</u>
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	(25,136)	-
Financial liabilities measured at amortised cost	(2,928,960)	(2,860,988)
	<u>(2,954,096)</u>	<u>(2,860,988)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise loans to third parties and inter-companies. These assets are interest free and repayable on demand.

Financial liabilities measured at fair value through profit or loss comprise cash at bank and in hand.

Financial liabilities measured at amortised cost comprise loans from third parties and the inter-companies.

22. Deferred taxation

	2016 £	2015 £
At beginning of year	(735,003)	(1,043,901)
Charged to profit or loss	-	308,898
At end of year	<u>(735,003)</u>	<u>(735,003)</u>

The provision for deferred taxation is made up as follows:

	23 December 2016 £	31 December 2015 £
Accelerated capital allowances	<u>(735,003)</u>	<u>(735,003)</u>

SOUTHERN COUNTIES CARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 23 DECEMBER 2016**

23. Share capital

	23 December 2016 £	31 December 2015 £
Allotted, called up and fully paid		
150,000 Ordinary A shares shares of £1 each	150,000	150,000
150,000 Ordinary B shares shares of £1 each	150,000	150,000
	<hr/>	<hr/>
	<u>300,000</u>	<u>300,000</u>

The ordinary A and B shares rank pari passu in all respects other than dividend rights.

24. Reserves

Revaluation reserve

The revaluation reserve represents unrealised gains on tangible fixed assets.

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

25. Guarantees and other financial commitments

The company is bound by an unlimited multilateral cross guarantee with Aster Healthcare Ltd (parent undertaking) and St Dominic's Ltd (fellow subsidiary undertaking of Aster Healthcare Ltd) in respect of bank borrowings. The maximum amount for which the company would become liable at 23 December 2016 as a result of these arrangements was £10,128,808.

26. Related party transactions

The company has taken the exemption under FRS102 Section 33.1A not to disclose transactions and balances with it's parent company on the basis it is a wholly owned subsidiary.

At 23 December 2016 the company owed S and Z Jeebun £91,329 (2015 - £NIL). This is included in other creditors due less than one year. The loan is interest free and has no fixed repayment terms.

27. Controlling party

The company is a wholly owned subsidiary of its ultimate and only parent undertaking. Aster Healthcare Ltd a company registered in England and Wales and controlled by S and Z Jeebun.

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.