

REGISTERED NUMBER: 03469333 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 March 2019
for
Capstone Care Ltd



Contents of the Financial Statements
for the Year Ended 31 March 2019

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	4
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Cash Flow Statement	9
Notes to the Cash Flow Statement	10
Notes to the Financial Statements	11

Capstone Care Ltd

Company Information
for the Year Ended 31 March 2019

DIRECTORS: J Odell
K Odell

SECRETARY: J Odell

REGISTERED OFFICE: Walshaw Hall
Bradshaw Road
Tottington
Bury
BL8 3PJ

REGISTERED NUMBER: 03469333 (England and Wales)

AUDITORS: Bennett Verby Limited
Chartered Certified Accountants
Statutory Auditor
7 St Petersgate
Stockport
Cheshire
SK1 1EB

Strategic Report
for the Year Ended 31 March 2019

The directors present their strategic report for the year ended 31 March 2019.

REVIEW OF BUSINESS

As a care home operator the company's overriding objective is to maintain high standards of care and much credit is due to the management and staff for having achieved this during the year.


We consider that our key financial performance indicators are turnover and operating profit. Both fell during the year due to the reduction in occupancy following the ending of a temporary contract with the local authority. However the company remains in a good financial position at the end of the year.

The bank loan is due for repayment in the coming year and is in the process of being renegotiated.

PRINCIPAL RISKS AND UNCERTAINTIES

As for many businesses of our size, the business environment in which we operate continues to be challenging. Income is partly dependent on funding from local authorities and they face strong pressure to cut costs. We also face competition from other care homes.

ON BEHALF OF THE BOARD:



J Odell - Secretary

18 December 2019

Report of the Directors
for the Year Ended 31 March 2019

The directors present their report with the financial statements of the company for the year ended 31 March 2019.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

J Odell
K Odell

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 judgements 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:


J Odell - Secretary

18 December 2019

Report of the Independent Auditors to the Members of
Capstone Care Ltd

Opinion

We have audited the financial statements of Capstone Care Ltd (the 'company') for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Capstone Care Ltd

Matters on which we are required to report by exception

In the light of the 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 or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

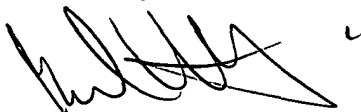
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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 a Report of the Auditors 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.



Bernard Verby (Senior Statutory Auditor)
for and on behalf of Bennett Verby Limited
Chartered Certified Accountants
Statutory Auditor
7 St Petersgate
Stockport
Cheshire
SK1 1EB

18 December 2019

Statement of Comprehensive Income
for the Year Ended 31 March 2019


	Notes	31.3.19 £	31.3.18 £
TURNOVER		2,337,413	2,460,885
Cost of sales		<u>1,400,912</u>	<u>1,303,755</u>
GROSS PROFIT		936,501	1,157,130
Administrative expenses		<u>349,323</u>	<u>405,807</u>
OPERATING PROFIT	4	587,178	751,323
Interest receivable and similar income		<u>5</u>	<u>784</u>
		587,183	752,107
Interest payable and similar expenses	6	<u>104,703</u>	<u>95,354</u>
PROFIT BEFORE TAXATION		482,480	656,753
Tax on profit	7	<u>91,400</u>	<u>120,890</u>
PROFIT FOR THE FINANCIAL YEAR		391,080	535,863
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>391,080</u></u>	<u><u>535,863</u></u>

The notes form part of these financial statements

Balance Sheet
31 March 2019

	Notes	31.3.19 £	31.3.18 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	<u>5,179,273</u>	<u>5,308,815</u>
		5,179,273	5,308,815
CURRENT ASSETS			
Debtors	10	142,433	165,736
Cash at bank		<u>26,539</u>	<u>13,961</u>
		168,972	179,697
CREDITORS			
Amounts falling due within one year	11	<u>4,134,941</u>	<u>845,210</u>
NET CURRENT LIABILITIES		<u>(3,965,969)</u>	<u>(665,513)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,213,304	4,643,302
CREDITORS			
Amounts falling due after more than one year	12	-	(3,823,378)
PROVISIONS FOR LIABILITIES	16	<u>(231,830)</u>	<u>(229,530)</u>
NET ASSETS		<u>981,474</u>	<u>590,394</u>
CAPITAL AND RESERVES			
Called up share capital	17	50	50
Capital redemption reserve	18	50	50
Retained earnings	18	<u>981,374</u>	<u>590,294</u>
SHAREHOLDERS' FUNDS		<u>981,474</u>	<u>590,394</u>

The financial statements were approved by the Board of Directors on 18 December 2019 and were signed on its behalf by:


J Odell - Director

Statement of Changes in Equity
for the Year Ended 31 March 2019

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 April 2017	100	1,704,431	-	1,704,531
Total comprehensive income	-	535,863	-	535,863
Purchase of own shares	(50)	(1,649,950)	-	(1,650,000)
Transfer on cancellation of shares purchased	-	(50)	50	-
Balance at 31 March 2018	<u>50</u>	<u>590,294</u>	<u>50</u>	<u>590,394</u>
Total comprehensive income	-	391,080	-	391,080
Balance at 31 March 2019	<u>50</u>	<u>981,374</u>	<u>50</u>	<u>981,474</u>

Cash Flow Statement
for the Year Ended 31 March 2019

	Notes	31.3.19 £	31.3.18 £
Cash flows from operating activities			
Cash generated from operations	1	307,950	1,484,053
Interest paid		(104,703)	(95,354)
Tax paid		<u>(69,010)</u>	<u>76,544</u>
Net cash from operating activities		<u>134,237</u>	<u>1,465,243</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		-	(1,449)
Interest received		<u>5</u>	<u>784</u>
Net cash from investing activities		<u>5</u>	<u>(665)</u>
 Cash flows from financing activities			
Loan repayments in year		(121,664)	(50,558)
Share buyback		<u>-</u>	<u>(1,650,000)</u>
Net cash from financing activities		<u>(121,664)</u>	<u>(1,700,558)</u>
 Increase/(decrease) in cash and cash equivalents		 12,578	 (235,980)
Cash and cash equivalents at beginning of year	2	<u>13,961</u>	<u>249,941</u>
 Cash and cash equivalents at end of year	2	 <u><u>26,539</u></u>	 <u><u>13,961</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 March 2019

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.3.19	31.3.18
	£	£
Profit before taxation	482,480	656,753
Depreciation charges	129,542	134,659
Finance costs	104,703	95,354
Finance income	(5)	(784)
	<u>716,720</u>	<u>885,982</u>
Decrease in trade and other debtors	23,303	93,194
(Decrease)/increase in trade and other creditors	<u>(432,073)</u>	<u>504,877</u>
Cash generated from operations	<u><u>307,950</u></u>	<u><u>1,484,053</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2019

	31.3.19	1.4.18
	£	£
Cash and cash equivalents	<u><u>26,539</u></u>	<u><u>13,961</u></u>

Year ended 31 March 2018

	31.3.18	1.4.17
	£	£
Cash and cash equivalents	<u><u>13,961</u></u>	<u><u>249,941</u></u>

Notes to the Financial Statements
for the Year Ended 31 March 2019

1. STATUTORY INFORMATION

Capstone Care Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling.

Significant judgements and estimates

Preparation of the financial statements requires management to make judgements and estimates. The items in the financial statements where these judgements and estimates have been made include the realisable value of debtors and the provision for Corporation Tax.

Debtors and creditors

Short term debtors are measured at transaction price less any impairment.

Short term creditors are measured at transaction price. Other financial liabilities are measured initially at fair value and are measured subsequently at amortised cost using the effective interest method..

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 1998, is being amortised evenly over its estimated useful life of twenty years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Fixtures and fittings	- 15% on reducing balance

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **EMPLOYEES AND DIRECTORS**

	31.3.19	31.3.18
	£	£
Wages and salaries	1,174,611	1,089,272
Social security costs	63,099	50,917
Other pension costs	9,992	3,340
	<u>1,247,702</u>	<u>1,143,529</u>

The average number of employees during the year was as follows:

	31.3.19	31.3.18
Care home staff	74	69
Administration	<u>2</u>	<u>2</u>
	<u>76</u>	<u>71</u>

	31.3.19	31.3.18
	£	£
Directors' remuneration	<u>-</u>	<u>18,900</u>

4. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.3.19	31.3.18
	£	£
Depreciation - owned assets	129,542	132,959
Goodwill amortisation	<u>-</u>	<u>1,700</u>

5. **AUDITORS' REMUNERATION**

	31.3.19	31.3.18
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>6,200</u>	<u>5,918</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.19	31.3.18
	£	£
Bank loan interest	<u>104,703</u>	<u>95,354</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.3.19	31.3.18
	£	£
Current tax:		
UK corporation tax	89,100	(7,533)
Deferred tax	<u>2,300</u>	<u>128,423</u>
Tax on profit	<u>91,400</u>	<u>120,890</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.19	31.3.18
	£	£
Profit before tax	<u>482,480</u>	<u>656,753</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	91,671	124,783
Effects of:		
Expenses not deductible for tax purposes	-	1,567
Adjustments to tax charge in respect of previous periods	-	(5,460)
Reassessment of deferred tax due to reduction in rate	<u>(271)</u>	<u>-</u>
Total tax charge	<u>91,400</u>	<u>120,890</u>

8. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST	
At 1 April 2018	
and 31 March 2019	<u>41,000</u>
AMORTISATION	
At 1 April 2018	
and 31 March 2019	<u>41,000</u>
NET BOOK VALUE	
At 31 March 2019	<u>-</u>
At 31 March 2018	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

9. **TANGIBLE FIXED ASSETS**

	Freehold property £	Fixtures and fittings £	Totals £
COST			
At 1 April 2018 and 31 March 2019	<u>5,508,789</u>	<u>394,079</u>	<u>5,902,868</u>
DEPRECIATION			
At 1 April 2018	329,077	264,976	594,053
Charge for year	<u>110,176</u>	<u>19,366</u>	<u>129,542</u>
At 31 March 2019	<u>439,253</u>	<u>284,342</u>	<u>723,595</u>
NET BOOK VALUE			
At 31 March 2019	<u>5,069,536</u>	<u>109,737</u>	<u>5,179,273</u>
At 31 March 2018	<u>5,179,712</u>	<u>129,103</u>	<u>5,308,815</u>

The tangible fixed assets are pledged as security for liabilities.

10. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.19 £	31.3.18 £
Trade debtors	38,240	148,553
Other debtors	<u>104,193</u>	<u>17,183</u>
	<u>142,433</u>	<u>165,736</u>

11. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.19 £	31.3.18 £
Bank loans and overdrafts (see note 13)	3,827,778	126,064
Trade creditors	27,137	43,837
Tax	89,101	69,011
Social security and other taxes	12,141	8,174
Other creditors	<u>178,784</u>	<u>598,124</u>
	<u>4,134,941</u>	<u>845,210</u>

12. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.3.19 £	31.3.18 £
Bank loans (see note 13)	<u>-</u>	<u>3,823,378</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

13. **LOANS**

An analysis of the maturity of loans is given below:

	31.3.19 £	31.3.18 £
Amounts falling due within one year or on demand:		
Bank loans	<u>3,827,778</u>	<u>126,064</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>-</u>	<u>3,823,378</u>

The bank loan is repayable in instalments over 2 years and the interest rate is 2% above base rate.

14. **SECURED DEBTS**

The following secured debts are included within creditors:

	31.3.19 £	31.3.18 £
Bank loans	<u>3,827,778</u>	<u>3,949,442</u>

The bank loan is secured on the company's assets by way of a legal charge and a debenture.

15. **FINANCIAL INSTRUMENTS**

Financial assets measured at amortised cost £64779 (2018 £148553)

Financial liabilities measured at amortised cost £3854917 (2018 £3993279)

16. **PROVISIONS FOR LIABILITIES**

	31.3.19 £	31.3.18 £
Deferred tax	<u>231,830</u>	<u>229,530</u>

	Deferred tax £
Balance at 1 April 2018	229,530
Provided during year	<u>2,300</u>
Balance at 31 March 2019	<u>231,830</u>

The deferred tax liability is made up as follows:

	£
Accelerated capital allowances	231830

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value: £1	31.3.19	31.3.18
Number:	Class:		£	£
50	Ordinary		<u>50</u>	<u>50</u>

18. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 April 2018	590,294	50	590,344
Profit for the year	<u>391,080</u>		<u>391,080</u>
At 31 March 2019	<u>981,374</u>	<u>50</u>	<u>981,424</u>

19. CONTINGENT LIABILITIES

The company has given guarantees totalling £7m in respect of bank borrowing by the directors and companies controlled by them.

20. RELATED PARTY DISCLOSURES

There are cross-guarantees of up to £7.9m between the company and the directors and companies controlled by them in respect of bank borrowing.
Other creditors include £112263 (2018 £540108) owed to Brabyns House Ltd, a company controlled by the directors. This is an interest free loan repayable on demand.
Other debtors included £85000 (2018 nil) owing from J Odell a director. This is interest free and repayable on demand..