

COMPANY REGISTRATION NUMBER: 04042840

CHARING HEALTHCARE LTD
Unaudited Financial Statements
31 December 2016



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COMPANIES HOUSE

KLEIN EVANGELOU
Chartered Accountants
368 Forest Road
London
E17 5jf

CHARING HEALTHCARE LTD

Financial Statements

Year ended 31 December 2016

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CHARING HEALTHCARE LTD

Officers and Professional Advisers

Director

C Osman

Registered office

368 Forest Road
London
E17 5JF

Accountants

Klein Evangelou
Chartered Accountants
368 Forest Road
London
E17 5JF

CHARING HEALTHCARE LTD

Director's Report

Year ended 31 December 2016

The director presents his report and the unaudited financial statements of the company for the year ended 31 December 2016.

Director

The director who served the company during the year was as follows:

C Osman

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 28 September 2017 and signed on behalf of the board by:



C Osman
Director
Registered office:
368 Forest Road
London
E17 5JF

CHARING HEALTHCARE LTD

Statement of Income and Retained Earnings

Year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	3	490,219	480,644
Cost of sales		<u>247,005</u>	<u>235,090</u>
Gross profit		243,214	245,554
Administrative expenses		122,777	100,257
Other operating income	4	<u>31,064</u>	<u>14,322</u>
Operating profit	5	151,501	159,619
Other interest receivable and similar income		<u>60</u>	<u>75</u>
Profit on ordinary activities before taxation		151,561	159,694
Tax on profit on ordinary activities	7	<u>36,713</u>	<u>31,988</u>
Profit for the financial year and total comprehensive income		<u>114,848</u>	<u>127,706</u>
Dividends paid and payable	8	(232,000)	(200,000)
Retained earnings at the start of the year		<u>1,017,255</u>	<u>1,089,549</u>
Retained earnings at the end of the year		<u>900,103</u>	<u>1,017,255</u>

All the activities of the company are from continuing operations.

The notes on pages 6 to 14 form part of these financial statements.

CHARING HEALTHCARE LTD

Statement of Financial Position

31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	9	3,613,485	8,428
Investments	10	<u>25,000</u>	<u>25,000</u>
		3,638,485	33,428
Current assets			
Debtors	11	9,057	818,802
Cash at bank and in hand		<u>1,228,146</u>	<u>524,046</u>
		1,237,203	1,342,848
Creditors: Amounts falling due within one year	12	<u>3,974,607</u>	<u>358,921</u>
Net current (liabilities)/assets		(2,737,404)	983,927
Total assets less current liabilities		901,081	1,017,355
Provisions			
Taxation including deferred tax	14	<u>878</u>	<u>—</u>
Net assets		<u>900,203</u>	<u>1,017,355</u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account	17	<u>900,103</u>	<u>1,017,255</u>
Shareholder funds		<u>900,203</u>	<u>1,017,355</u>

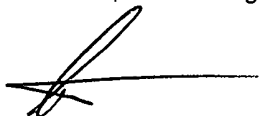
For the year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The shareholder has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of directors and authorised for issue on 28 September 2017, and are signed on behalf of the board by:



C Osman
Director

Company registration number: 04042840

The notes on pages 6 to 14 form part of these financial statements.

CHARING HEALTHCARE LTD

Statement of Cash Flows

Year ended 31 December 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	114,848	127,706
<i>Adjustments for:</i>		
Depreciation of tangible assets	2,262	2,810
Other interest receivable and similar income	(60)	(75)
Tax on profit on ordinary activities	36,713	31,988
Accrued (income)/expenses	(13,109)	1,196
<i>Changes in:</i>		
Trade and other debtors	809,745	256,468
Trade and other creditors	3,603,588	76,983
Cash generated from operations	4,553,987	497,076
Interest received	60	75
Tax paid	(6,004)	(31,066)
Net cash from operating activities	<u>4,548,043</u>	<u>466,085</u>
Cash flows from investing activities		
Purchase of tangible assets	(3,607,319)	(3,871)
Net cash used in investing activities	<u>(3,607,319)</u>	<u>(3,871)</u>
Cash flows from financing activities		
Proceeds from borrowings	(4,624)	1,800
Dividends paid	(232,000)	(200,000)
Net cash used in financing activities	<u>(236,624)</u>	<u>(198,200)</u>
Net increase in cash and cash equivalents	704,100	264,014
Cash and cash equivalents at beginning of year	524,046	260,032
Cash and cash equivalents at end of year	<u>1,228,146</u>	<u>524,046</u>

The notes on pages 6 to 14 form part of these financial statements.

CHARING HEALTHCARE LTD

Notes to the Financial Statements

Year ended 31 December 2016

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 20.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

CHARING HEALTHCARE LTD

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

2. Accounting policies *(continued)*

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 25% reducing balance
Equipment	- 25% reducing balance

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss. If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

CHARING HEALTHCARE LTD

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

2. Accounting policies *(continued)*

Investments in associates *(continued)*

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

CHARING HEALTHCARE LTD

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

2. Accounting policies *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship (see hedge accounting policy).

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

CHARING HEALTHCARE LTD

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Turnover

Turnover arises from:

	2016	2015
	£	£
Rendering of services	<u>490,219</u>	<u>480,644</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

4. Other operating income

	2016	2015
	£	£
Rental income	5,950	–
Other operating income	<u>25,114</u>	<u>14,322</u>
	<u>31,064</u>	<u>14,322</u>

5. Operating profit

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Depreciation of tangible assets	2,262	2,810
Foreign exchange differences	<u>22,083</u>	<u>–</u>

6. Director's remuneration

The director's aggregate remuneration in respect of qualifying services was:

	2016	2015
	£	£
Remuneration	<u>63,932</u>	<u>69,744</u>

7. Tax on profit on ordinary activities

Major components of tax expense

	2016	2015
	£	£
Current tax:		
UK current tax expense	35,835	31,988
Deferred tax:		
Origination and reversal of timing differences	<u>878</u>	<u>–</u>
Tax on profit on ordinary activities	<u>36,713</u>	<u>31,988</u>

CHARING HEALTHCARE LTD

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

7. Tax on profit on ordinary activities *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.20%).

	2016 £	2015 £
Profit on ordinary activities before taxation	151,561	159,694
Profit on ordinary activities by rate of tax	30,324	32,258
Effect of expenses not deductible for tax purposes	5,300	–
Effect of capital allowances and depreciation	223	(344)
Rounding on tax charge	(12)	74
Deferred tax - accelerated capital allowances	878	–
Tax on profit on ordinary activities	36,713	31,988

8. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2016 £	2015 £
Dividends on equity shares	232,000	200,000

9. Tangible assets

	Investment properties £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 January 2016	–	24,603	37,407	62,010
Additions	3,606,700	–	619	3,607,319
At 31 December 2016	3,606,700	24,603	38,026	3,669,329
Depreciation				
At 1 January 2016	–	23,041	30,541	53,582
Charge for the year	–	390	1,872	2,262
At 31 December 2016	–	23,431	32,413	55,844
Carrying amount				
At 31 December 2016	3,606,700	1,172	5,613	3,613,485
At 31 December 2015	–	1,562	6,866	8,428

Included within the above is investment property as follows:

	£
At 1 January 2016	–
Additions	3,606,700
At 31 December 2016	3,606,700

The investment properties are shown at cost.

CHARING HEALTHCARE LTD

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

10. Investments

	Other investments other than loans £
Cost	
At 1 Jan 2016 and 31 Dec 2016	<u>25,000</u>
Impairment	
At 1 Jan 2016 and 31 Dec 2016	<u>—</u>
Carrying amount	
At 31 December 2016	<u>25,000</u>

11. Debtors

	2016 £	2015 £
Amounts owed by connected undertakings	—	8,448
Other debtors	<u>9,057</u>	<u>810,354</u>
	<u>9,057</u>	<u>818,802</u>

12. Creditors: Amounts falling due within one year

	2016 £	2015 £
Accruals and deferred income	11,590	24,699
Corporation tax	35,835	6,004
Social security and other taxes	—	9,966
Director loan accounts	—	4,624
Amounts owed to connected undertakings	3,601,400	—
Other creditors	<u>325,782</u>	<u>313,628</u>
	<u>3,974,607</u>	<u>358,921</u>

13. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2016 £	2015 £
Included in provisions (note 14)	<u>878</u>	<u>—</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016 £	2015 £
Accelerated capital allowances	<u>878</u>	<u>—</u>

CHARING HEALTHCARE LTD

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

14. Provisions

	Deferred tax (note 13) £
Additions	<u>878</u>
At 31 December 2016	<u>878</u>

15. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>1,237,203</u>	<u>532,494</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(3,601,400)</u>	<u>—</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, amounts owed by connected undertakings and other debtors.

Financial liabilities measured at amortised cost comprise amounts owed to connected undertakings.

16. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

17. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

18. Director's advances, credits and guarantees

During the year the director entered into the following advances and credits with the company:

	Advances/ (credits) to the director		Amounts repaid		Balance outstanding	
	2016	2015	2016	2015	2016	2015
	£	£	£	£	£	£
C Osman	<u>236,624</u>	<u>253,780</u>	<u>(232,000)</u>	<u>(255,580)</u>	<u>—</u>	<u>(4,624)</u>

CHARING HEALTHCARE LTD

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

19. Related party transactions

The company was under the control of Mr C Osman throughout the current and previous year. Mr C Osman is the managing director and majority shareholder.

During the year the company entered into the following transactions with related parties:

	£
Amounts owed to connected undertakings	3,601,399
Management Charges received from related parties	490,219

CONNECTED COMPANIES

Charing Care Limited
Charing Way Limited
Charing Gardens Limited
Charing Cross Investments Limited
Charing Court Investments Limited
Charing Lodge Limited
Charing Hill Limited
Charing Vale Limited
Charing Park Investments Limited
Charing Wells Limited

During the year the company purchased from Charing Wells Limited the freehold investment properties included in note 9 to the accounts, at arms length market value having been independently valued.

20. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2015.

No transitional adjustments were required in equity or profit or loss for the year.

21. Comparatives

Where changes have been made in presentation, comparative figures have been adjusted accordingly.