

**Strategic Report, Report of the Director and
Unaudited Financial Statements for the Year Ended 31 March 2017
for
LAKEWOOD LIMITED**

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LAKEWOOD LIMITED

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LAKEWOOD LIMITED
Company Information
FOR THE YEAR ENDED 31 MARCH 2017

DIRECTOR: S Lakhani

SECRETARY: Mrs I Lakhani

REGISTERED OFFICE: 228 St Mary's Lane
Upminster
Essex
RM14 3DH

REGISTERED NUMBER: 04076355 (England and Wales)

LAKEWOOD LIMITED
Strategic Report
FOR THE YEAR ENDED 31 MARCH 2017

The director presents his Strategic Report and the financial statements for the year ended 31 March 2017.

Principal Activities

The principal activity of the company until 31 March 2017 was the ownership and operation of two nursing homes, one in Stevenston, Scotland and one in Wolverhampton, England. The assets and liabilities of Lakewood Limited were sold to another group company on 31 March 2017 as part of an internal group restructure.

REVIEW OF BUSINESS

Turnover in the year rose to £3,881k (2016 - £3,292k) and the Company made a loss before tax of £25k (2016 - £8k).

PRINCIPAL RISKS AND UNCERTAINTIES

The Company disposed of its assets and liabilities in the year to 31 March 2017. The Company is not expecting any replacement trading assets in the foreseeable future.

KEY PERFORMANCE INDICATORS

Given the disposal of the business, the director is of the opinion that the analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

ON BEHALF OF THE BOARD:



S Lakhani - Director

11 December 2017

LAKWOOD LIMITED
Report of the Director
FOR THE YEAR ENDED 31 MARCH 2017

The director presents his report with the financial statements of the company for the year ended 31 March 2017.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2017.

FUTURE DEVELOPMENTS

In light of the disposal of the assets and liabilities of the Company the director is not anticipating any further developments in the Company.

DIRECTOR

S Lakhani held office during the whole of the period from 1 April 2016 to the date of this report.

POST BALANCE SHEET EVENTS

There have no significant events affecting the Company since the year end.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'S Lakhani', written over a horizontal line.

S Lakhani - Director

11 December 2017

**Chartered Accountants' Report to the Director
on the Unaudited Financial Statements of
Lakewood Limited**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Lakewood Limited for the year ended 31 March 2017 which comprise the Statement of Comprehensive Income, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the director of Lakewood Limited in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Lakewood Limited and state those matters that we have agreed to state to the director of Lakewood Limited in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lakewood Limited director for our work or for this report.

It is your duty to ensure that Lakewood Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Lakewood Limited. You consider that Lakewood Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Lakewood Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Liric Chartered Accountants
Wyndmere House
Ashwell Road
Steeple Morden
Hertfordshire
SG8 0NZ

11 December 2017

LAKEWOOD LIMITED

**Statement of Comprehensive Income
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
TURNOVER		3,881,806	3,291,924
Cost of sales		3,302,829	2,859,448
GROSS PROFIT		578,977	432,476
Administrative expenses		424,390	440,620
OPERATING PROFIT/(LOSS)	4	154,587	(8,144)
Interest payable and similar expenses	5	180,098	73
LOSS BEFORE TAXATION		(25,511)	(8,217)
Tax on loss	6	28,475	15,448
LOSS FOR THE FINANCIAL YEAR		(53,986)	(23,665)

The notes form part of these financial statements

LAKEWOOD LIMITED

**Other Comprehensive Income
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
LOSS FOR THE YEAR		(53,986)	(23,665)
OTHER COMPREHENSIVE INCOME			
Unrealised surplus on revaluation of tangible fixed assets		-	416,477
Income tax relating to other comprehensive income		-	-
		<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		-	416,477
		<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(53,986)</u>	<u>392,812</u>

The notes form part of these financial statements

LAKEWOOD LIMITED (REGISTERED NUMBER: 04076355)

**Balance Sheet
31 MARCH 2017**

	Notes	2017		2016	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		-		6,984,368
Investments	8		-		100
			<hr/>		<hr/>
			-		6,984,468
CURRENT ASSETS					
Debtors	9	3,603,222		588,186	
Cash at bank		-		14,883	
		<hr/>		<hr/>	
		3,603,222		603,069	
CREDITORS					
Amounts falling due within one year	10	28,475		3,668,723	
		<hr/>		<hr/>	
NET CURRENT ASSETS/(LIABILITIES)			3,574,747		(3,065,654)
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,574,747		3,918,814
PROVISIONS FOR LIABILITIES	12		-		290,081
			<hr/>		<hr/>
NET ASSETS			3,574,747		3,628,733
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The notes form part of these financial statements

LAKEWOOD LIMITED (REGISTERED NUMBER: 04076355)

**Balance Sheet - continued
31 MARCH 2017**

	Notes	2017 £	2016 £
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Revaluation reserve	14	3,218,341	3,218,341
Retained earnings	14	356,306	410,292
SHAREHOLDERS' FUNDS		<u>3,574,747</u>	<u>3,628,733</u>

The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 March 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2017 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the director on 11 December 2017 and were signed by:



S Lakhani - Director

The notes form part of these financial statements

LAKEWOOD LIMITED

**Statement of Changes in Equity
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 April 2015	100	433,957	2,801,864	3,235,921
Changes in equity				
Total comprehensive income	-	(23,665)	416,477	392,812
Balance at 31 March 2016	100	410,292	3,218,341	3,628,733
Changes in equity				
Total comprehensive income	-	(53,986)	-	(53,986)
Balance at 31 March 2017	100	356,306	3,218,341	3,574,747

The notes form part of these financial statements

LAKEWOOD LIMITED

Notes to the Financial Statements FOR THE YEAR ENDED 31 MARCH 2017

1. STATUTORY INFORMATION

Lakewood Limited 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 parent company, The Holmes Care (Group) Limited, has provided a guarantee over the liabilities of the company under section 479C of the Companies Act 2006 such that the company can claim exemption from audit under section 479A.

The company has taken advantage of the following 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 requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for asset and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The key areas of judgement and estimation uncertainty are set out below:-

Revaluation of Property

The company carries its freehold property at valuation, the directors engages an independent valuation specialist to determine the fair value of the freehold property. Freehold property is valued on an open market basis in accordance with the requirements of FRS102.

Turnover

Turnover comprises revenue recognised by the company in respect of the provision of care through the operation of a nursing home during the period. Revenue is recognised based on the period for which the care has been provided.

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
Plant and machinery	- 25% on cost and 20% on cost
Fixtures and fittings	- 20% on cost

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

LAKEWOOD LIMITED

Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 MARCH 2017

2. ACCOUNTING POLICIES - continued

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.

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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

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.

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.

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.

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.

LAKEWOOD LIMITED

Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 MARCH 2017

3. EMPLOYEES AND DIRECTORS

	2017 £	2016 £
Wages and salaries	2,225,133	1,950,271
Social security costs	140,607	109,911
Other pension costs	11,619	8,871
	<u>2,377,359</u>	<u>2,069,053</u>

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

	2017	2016
	<u>166</u>	<u>142</u>
	2017 £	2016 £
Director's remuneration	<u>-</u>	<u>-</u>

4. OPERATING PROFIT/(LOSS)

The operating profit (2016 - operating loss) is stated after charging:

	2017 £	2016 £
Hire of plant and machinery	800	883
Operating lease income	-	892
Depreciation - owned assets	183,547	166,641
Defined contribution pension costs	<u>11,619</u>	<u>8,871</u>

During the year, no director received any emoluments (2016 - Nil).

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017 £	2016 £
Bank interest	<u>180,098</u>	<u>73</u>

6. TAXATION

Analysis of the tax charge

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

	2017 £	2016 £
Current tax:		
UK corporation tax	28,475	27,273
Taxation prior years	-	(10,254)
Total current tax	<u>28,475</u>	<u>17,019</u>
Deferred tax	-	(1,571)
Tax on loss	<u>28,475</u>	<u>15,448</u>

LAKEWOOD LIMITED

Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 MARCH 2017

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2017 £	2016 £
Loss before tax	<u>(25,511)</u>	<u>(8,217)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	(5,102)	(1,643)
Effects of:		
Expenses not deductible for tax purposes	828	2,501
Depreciation in excess of capital allowances	32,977	25,599
Adjustments to tax charge in respect of previous periods	-	(10,254)
Adjustments to tax charge in respect of prior periods - deferred tax	-	(125)
Adjust closing deferred tax to average rate of 20%	-	(883)
Group relief surrendered/(claimed)	-	253
Capitalised Revenue allowable on acc basis	<u>(228)</u>	<u>-</u>
Total tax charge	<u>28,475</u>	<u>15,448</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 March 2017.

	Gross £	2016 Tax £	Net £
Unrealised surplus on revaluation of tangible fixed assets	<u>416,477</u>	<u>-</u>	<u>416,477</u>
	<u>416,477</u>	<u>-</u>	<u>416,477</u>

LAKEWOOD LIMITED

Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 MARCH 2017

7. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2016	6,900,000	34,947	301,105	7,236,052
Additions	-	-	43,623	43,623
Transfers out	(6,900,000)	(34,947)	(344,728)	(7,279,675)
At 31 March 2017	-	-	-	-
DEPRECIATION				
At 1 April 2016	-	27,575	224,109	251,684
Charge for year	138,000	3,884	41,663	183,547
Transfers out	(138,000)	(31,459)	(265,772)	(435,231)
At 31 March 2017	-	-	-	-
NET BOOK VALUE				
At 31 March 2017	-	-	-	-
At 31 March 2016	6,900,000	7,372	76,996	6,984,368

8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2016	100
Transfers out	(100)
At 31 March 2017	-
NET BOOK VALUE	
At 31 March 2017	-
At 31 March 2016	100

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	-	474,832
Amounts owed by group undertakings	3,595,222	-
Other debtors	8,000	3,084
Prepayments	-	110,270
	<u>3,603,222</u>	<u>588,186</u>

LAKEWOOD LIMITED

Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 MARCH 2017

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	-	198,263
Amounts owed to group undertakings	-	3,141,027
Tax	28,475	28,890
Other creditors	-	19,265
Accrued expenses	-	281,278
	<u>28,475</u>	<u>3,668,723</u>

11. FINANCIAL INSTRUMENTS

Financial assets

	2017	2016
Financial assets that are debt instruments measured at amortised cost	<u>3,603,222</u>	<u>412,909</u>

Financial liabilities

Financial liabilities measured at amortised cost Nil (3,391,329)

Financial assets measured at amortised cost comprise trade debtors, other debtors, amounts owed by group undertakings, accrued income and cash.

Financial liabilities measure at amortised cost comprise trade creditors, amounts owed to group undertakings and accruals.

12. PROVISIONS FOR LIABILITIES

	2017 £	2016 £
Deferred tax	<u>-</u>	<u>290,081</u>
		Deferred tax
		£
Balance at 1 April 2016		290,081
Transferred out		<u>(290,081)</u>
Balance at 31 March 2017		<u>-</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2017	2016
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

LAKEWOOD LIMITED

Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 MARCH 2017

14. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 April 2016	410,292	3,218,341	3,628,633
Deficit for the year	(53,986)		(53,986)
At 31 March 2017	<u>356,306</u>	<u>3,218,341</u>	<u>3,574,647</u>

15. RELATED PARTY DISCLOSURES

As a wholly owned subsidiary undertaking of The Holmes Care (Group) Limited, the company has taken advantage of the exemption in FRS102 Related Party disclosures not to disclose transactions with other members of the group headed by The Holmes Care (Group) Limited, since that company produces consolidated financial statements which are available to the public and which include Lakewood Limited.

16. ULTIMATE CONTROLLING PARTY

The company's immediate holding company is The Holmes Care Limited, a company incorporated in England and Wales. The company's ultimate holding company is The Holmes Care (Group) Limited, a company incorporated in England and Wales. Consolidated financial statements for this company are available from Companies House.

The Holmes care (Group) Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements.

LAKWOOD LIMITED

Trading and Profit and Loss Account FOR THE YEAR ENDED 31 MARCH 2017

	2017		2016	
	£	£	£	£
Sales		3,881,806		3,291,924
Cost of sales				
Purchases	208,978		150,414	
Wages	2,225,133		1,950,271	
Social security	140,607		109,911	
Pensions	11,619		8,871	
Management charge	367,796		488,732	
Sub contractors	348,696		151,249	
		3,302,829		2,859,448
GROSS PROFIT		578,977		432,476
Expenditure				
Rent, rates & insurance	1,910		26,304	
Light and heat	93,369		94,075	
Hire of plant and machinery	800		883	
Telephone	4,402		1,054	
Post and stationery	8,404		7,481	
Advertising	1,612		469	
Travelling	2,390		2,961	
Motor expenses	578		-	
Repairs and renewals	71,009		82,558	
Household and cleaning	15,563		49,266	
Computer costs	440		892	
Sundry expenses	-		8,758	
Subscriptions	21,424		20,059	
Staff training, welfare and recruitment	18,756		19,312	
Accountancy	-		2,615	
Professional fees	-		3,518	
Entertainment	(443)		-	
Bad debts	-		(46,570)	
		240,214		273,635
		338,763		158,841
Finance costs				
Bank charges	629		344	
Bank interest	180,098		73	
		180,727		417
Carried forward		158,036		158,424

This page does not form part of the statutory financial statements

LAKEWOOD LIMITED

Trading and Profit and Loss Account FOR THE YEAR ENDED 31 MARCH 2017

	2017		2016	
	£	£	£	£
Brought forward		158,036		158,424
Depreciation				
Freehold property	138,000		136,000	
Plant and machinery	3,884		4,845	
Fixtures and fittings	41,663		25,796	
		<u>183,547</u>		<u>166,641</u>
NET LOSS		<u>(25,511)</u>		<u>(8,217)</u>

This page does not form part of the statutory financial statements