Company Registration No. 04500186

ASPEN VILLAGE LIMITED

Annual report and financial Statements

Year ended 31 December 2018

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ASPEN VILLAGE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
Year ended 31 December 2018

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ASPEN VILLAGE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS
Year ended 31 December 2018

DIRECTOR

Colin Haig

COMPANY SECRETARY

Colin Haig

REGISTERED OFFICE

523 Highgate Studios
53-79 Highgate Road
London
NW5 1TL

BUSINESS ADDRESS

Forest Care Village
18-20 Cardinal Avenue
Borehamwood
Herts WD6 1EP

BANKERS

Lloyds Bank
39 Threadneedle Street
London
EC2R 8AU

INDEPENDENT AUDITOR

Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

ASPEN VILLAGE LIMITED

STRATEGIC REPORT
Year ended 31 December 2018

The Director presents his strategic report for the financial year ended 31 December 2018.

REVIEW OF THE BUSINESS AND PRINCIPAL ACTIVITY

The principal activity of the Company continued to be the provision of specialist nursing and care for residents with complex medical conditions.

Occupancy and room fees are the primary factors affecting revenues. The Company seeks to maintain high occupancy and fee levels by offering high-quality, person-centred care appropriate to the needs of service-users, in purpose-built facilities managed by well qualified staff.

The Company suffered a significant down-turn in occupancy and in profitability following an inspection from the Regulator which led to an admissions embargo for part of the year, which was lifted prior to the end of 2018. Significant, sustained improvements have been implemented to ensure that the quality of the care provided exceeds expectations and enables the business to return to the profitability levels experienced in recent years. Growth in occupancy alongside tight control of staffing costs remain the priorities for the Company.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's principal risk and uncertainties are:

- A decline occupancy or in negotiated fee rates for the provision of care
- The recruitment and retention of high-quality nursing and care staff
- Maintaining the quality of the home environment.

The Company continues to address these risks through:

- Continuous improvement in the quality of care it provides, which enhances its reputation and maintains its position as the provider of choice for private care purchasers and for Local Authority and Clinical Commissioning Group commissioners.
- Investment in our staff in terms of learning, development and reward.
- A programme of refurbishment, upgrading our facilities with investment in the home and through increased maintenance expenditure.

Key Performance Indicators	**2018**	**2017**
Occupancy levels	75%	97%
Staff cost ratio	73%	62%
Contribution/income ratio	12%	26%

The Director believes that the Company is well positioned, operational and financially stable.

On behalf of the Board

Colin Haig

Colin Haig
Director
23rd August 2019

DIRECTOR'S REPORT
Year ended 31 December 2018

The Director presents his report and the audited financial statements for Aspen Village Limited (the "Company") for the financial year ended 31 December 2018.

FINANCIAL RISK MANAGEMENT

The Company's principal financial instruments comprise sterling cash and bank deposits and inter-Company loans, together with trade debtors and creditors arising from normal operations.

The Company's activities are not exposed to interest rate risk as its long term financing from other group companies is interest free.

The Company has no exposure to price or currency risk as it has no equity investments or foreign currency balances. The credit risk attributable to trade debtors is minimal as the majority of its fees are paid by local authorities and the experience of bad debt on private residents has been minimal.

FINANCIAL RESULTS AND DIVIDENDS

The results for the financial year are set out on page 7.

The Director does not recommend the payment of a dividend (2017: nil).

FUTURE DEVELOPMENTS

The high standards of care delivered; together with growth in profitability through increased occupancy are continuing priorities for the future.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development and its financial position are described in in the Strategic report on page 2.

After making detailed enquiries, and in consideration of his assessment of the company's financial position, and having reviewed the forecast cash flows, the Director has concluded that he has a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a going concern.

Thus, he continues to adopt the going concern basis of accounting in preparing the annual financial statements.

DIRECTORS

The Directors who held office during the year and up to the date of signing the financial statements are given below:

Paul Musgrave (resigned on 26 February 2019)
Colin Haig

DIRECTOR'S RESPONSIBILITY STATEMENT

The Director is responsible for preparing the Strategic report, Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws).

Under company law the Director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the Director is required to:

DIRECTOR'S REPORT (CONTINUED)
Year ended 31 December 2018

DIRECTOR'S RESPONSIBILITY STATEMENT (CONTINUED)

• select suitable accounting policies and then apply them consistently;

• make judgements and accounting estimates that are reasonable and prudent;

• state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

The Director confirms that:

- so far as the Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Director has taken all the steps that they ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

The Director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR

Grant Thornton UK LLP is the Company's auditor. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

Colin Haig

Colin Haig
Director
23rd August 2019

Independent auditor's report to the members of Aspen Village Limited

Opinion

We have audited the financial statements of Aspen Village Limited (the 'company') for the year ended 31 December 2018, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes, 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 December 2018 and of its loss 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 Auditor's 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 Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Director has 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 Director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Director's report has been prepared in accordance with applicable legal requirements.

Independent auditor's report to the members of Aspen Village Limited (continued)

Matter on which we are required to report under the Companies Act 2006

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 Director's report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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 Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Director for the financial statements

As explained more fully in the Director's responsibilities statement, set out on pages 3 and 4, the Director is 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 Director determines is 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 Director is 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 Director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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 auditor's report.

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 an auditor's 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.

Grant Thornton UK LLP

Richard Hagley BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date 23 August 2019

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	5	7,316,197	9,163,613
Cost of sales		(5,769,110)	(6,166,378)
Gross profit		1,547,087	2,997,235
Administrative expenses		(1,664,288)	(1,679,110)
Operating (loss)/profit and (loss)/profit on ordinary activities before taxation	7	(117,201)	1,318,125
Tax on (loss)/profit on ordinary activities	8	(8,634)	(462,867)
(Loss)/profit for the financial year		**(125,835)**	**855,258**

Other comprehensive income

	2018	2017
(Loss)/Profit for the financial year	**(125,835)**	**855,258**
Other comprehensive income:		
Tax rate change movement on deferred tax relating to revaluation of tangible assets	-	-
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	**(125,835)**	**855,258**

All amounts relate to continuing operations.

The notes on pages 10 to 18 form an integral part of the financial statements.

ASPEN VILLAGE LIMITED

BALANCE SHEET
As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	9	12,850,688	13,106,872
		12,850,688	13,106,872
Current assets			
Debtors	10	7,648,375	7,667,449
Cash at bank and in hand		92,899	77,429
		7,741,274	7,744,878
Creditors: amounts falling due within one year	11	(4,381,649)	(4,515,602)
Net current assets		3,359,625	3,229,276
Total assets less current liabilities		16,210,313	16,336,148
Provisions for liabilities	12	(1,246,259)	(1,246,259)
Net assets		14,964,054	15,089,889
Capital and reserves			
Called up share capital	13	1	1
Capital Contribution		13,240,803	13,240,803
Revaluation reserve		5,097,490	5,170,800
Profit and loss account		(3,374,240)	(3,321,715)
Total shareholder's funds		14,964,054	15,089,889

The financial statements of Aspen Village Limited, registered number 04500186, were approved by the Director and authorised for issue on 23rd August 2019. The notes on pages 10 to 18 form an integral part of the financial statements.

Colin Haig

Colin Haig
Director

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2018

	Called up Share capital	Capital contribution	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
Balance at 31 December 2017	**1**	**13,240,803**	**5,170,800**	**(3,321,715)**	**15,089,889**
Total comprehensive income for the period					
Loss for the year	-	-	-	(125,835)	(125,835)
Total comprehensive income for the period	-	-	-	(125,835)	(125,835)
Transactions recorded directly in equity					
Transfer to retained earnings	-	-	(73,310)	73,310	-
Total contributions by and distributions to owners	-	-	(73,310)	73,310	-
Balance at 31 December 2018	**1**	**13,240,803**	**5,097,490**	**(3,374,240)**	**14,964,054**
Balance at 31 December 2016	**1**	**13,240,803**	**5,244,109**	**(4,250,282)**	**14,234,631**
Total comprehensive income for the period					
Profit or loss	-	-	-	855,258	855,258
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	855,258	855,258
Transactions recorded directly in equity					
Transfer to retained earnings	-	-	(73,309)	73,309	-
Total contributions by and distributions to owners	-	-	(73,309)	73,309	-
Balance at 31 December 2017	**1**	**13,240,803**	**5,170,800**	**(3,321,715)**	**15,089,889**

The notes on pages 10 to 18 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

1. GENERAL INFORMATION

Aspen Village Limited (the "Company") is a Company limited by shares incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 2.

2. STATEMENT OF COMPLIANCE

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with FRS 102. The financial statements are presented in £ sterling.

(b) Going concern

The Company's business activities, together with the factors likely to affect its future development and its financial position are described in in the Strategic report on page 2.

After making detailed enquiries, and in consideration of his assessment of the company's financial position, and having reviewed the forecast cash flows, the Director has concluded that he has a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a going concern.

Thus, he continues to adopt the going concern basis of accounting in preparing the annual financial statements.

(c) Exemptions for qualifying entities

The Company's ultimate parent undertaking, Newco A 13 Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Newco A 13 Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Highgate Studios, Studio 523, 53-79 Highgate Road, London, NW5 1TL. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Newco A 13 Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Turnover

Turnover represents fees receivable for nursing and personal care from public authorities and private individuals, which are exempt from value added tax. Turnover from the supply of these services is recognised upon provision of service.

(e) Tangible fixed assets and depreciation

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

(i) Land & buildings

Land and buildings are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses.

The Company previously adopted a policy of revaluing freehold land and buildings and they were stated at their revalued amount less any subsequent depreciation and accumulated impairment losses. The Company has adopted the transition exemption under FRS 102 paragraph 35.10(d) and has elected to use the previous revaluation as deemed cost.

The difference between depreciation based on the deemed cost charged in the statement of comprehensive income and the asset's original cost is transferred from the revaluation reserve to retained earnings.

(ii) Fixtures, fittings and equipment

Plant and machinery and fixtures, fittings and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

(iii) Depreciation and residual values

Land is not depreciated. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold land	-	Not depreciated
Freehold buildings	-	2% straight line
Plant and machinery	-	15% straight line
Fixtures, fittings & equipment	-	15%-33%straight line
Motor vehicles	-	25% reducing balance

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

(f) Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting year. Tax is recognised in the income statement, 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.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Taxation (continued)

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These 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 recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

(h) Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (continued)

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

(i) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(j) Distributions to equity holders

Dividends and other distributions to Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity.

(k) Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

(l) Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 31 December 2018

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Critical judgements in applying the entity's accounting policies*

The Director has assessed the application of the going concern basis in the preparation of the financial statements. Please see note 3(b) for further details.

(b) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the property plant and equipment, and note 3(e) for the useful economic lives for each class of assets.

(ii) Valuation of freehold property

The Company previously adopted a policy of revaluing freehold land and buildings and they were stated at their revalued amount less any subsequent depreciation and accumulated impairment losses. The Company has adopted the transition exemption under FRS 102 paragraph 35.10(d) and has elected to use the previous revaluation as deemed cost. The property was last valued in 2015 by the Director, valued as fully operational entities, on a value in use basis using market data and discounting future cash flows. As a result of this valuation, the value of the properties is deemed to be fairly stated.

(iii) Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

5. TURNOVER

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

6. STAFF COSTS

Number of employees

The average monthly number of employees (including Directors) during the year was:

	2018 Number	2017 Number
Administration and nursing	202	225

6. STAFF COSTS (CONTINUED)

EMPLOYMENT COSTS	2018 £	2017 £
Wages and salaries	4,433,892	4,654,002
Social security costs	381,326	398,974
Other pension costs	49,524	29,219
	4,864,742	5,082,195

Director's emoluments are paid via another group company. The amounts attributable to this company are £24,298 (2017: £31,639). The value of their services for the company during the year, if allocated to the company, would be £24,298 (2017: £31,639).

7. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2018 £	2017 £
(Loss)/profit on ordinary activities before taxation is stated after charging:		
Depreciation of owned tangible fixed assets	339,528	334,682
Auditors' remuneration – audit fees	7,501	6,998
Auditors' remuneration – tax compliance fees	3,000	3,000

8. TAX ON (LOSS)/PROFT ON ORDINARY ACTIVITES

	2018 £	2017 £
(a) Analysis of the tax charge in the year		
Current tax:		
United Kingdom corporation tax	8,634	462,867
Tax on (loss)/profit on ordinary activities	8,634	482,867
Total current and deferred tax relating to items of other comprehensive income (note 12)	-	-
Total tax	8,634	462,867

(b) Factors affecting the tax charge for the year

The tax assessed for the year is higher (2017: higher) than the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)

	2018	2017
(Loss)/profit on ordinary activities before taxation	(117,201)	1,318,125
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2017: 19.25%)	(22,268)	253,694
Effects of		
Adjustments to tax charge in respect of prior periods	55	216,757
Adjustments to tax charge in respect of prior periods – deferred tax	(50)	1,167
Deferred tax not recognised	(26,616)	(61,323)
Impact of changes in tax rates – deferred tax	(3,137)	(7,950)
Fixed asset differences	60,650	60,522
Total current tax (note 8(a))	8,634	462,867
Effect of tax rate change on opening deferred tax balance	-	-
Total tax	8,634	462,867

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 31 December 2018

9. TANGIBLE ASSETS

	Freehold Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or deemed cost					
At 1 January 2018	15,357,220	154,945	3,880,791	9,720	19,402,676
Additions	-	2,562	80,782	-	83,344
At 31 December 2018	15,357,220	157,507	3,961,573	9,720	19,486,020
Accumulated depreciation					
At 1 January 2018	2,750,862	98,060	3,441,263	5,619	6,295,804
Charge for the year	190,387	20,065	128,050	1,026	339,528
At 31 December 2018	2,941,249	118,125	3,569,313	6,645	6,635,332
Net book value					
At 31 December 2018	12,415,971	39,382	392,260	3,075	12,850,688
At 31 December 2017	12,606,358	56,885	439,528	4,101	13,106,872

The property is being depreciated from the valuation date. As the assets are depreciated or sold an appropriate transfer is made from the revaluation reserve to retained earnings.

Analysis of the land and buildings is as follows:

	2018	2017
	£	£
Historical cost equivalent	6,533,850	6,650,927
Revaluation	5,882,121	5,955,431
Net book value	12,415,971	12,606,358

The property was last valued in 2015 by the Directors, valued as fully operational entities, on a value in use basis using market data and discounting future cash flows. As a result of this valuation, the value of the properties is deemed to be fairly stated.

Land and buildings have been provided as security against the loan that has been undertaken by Forest Healthcare Finance Limited, a fellow group company.

10. DEBTORS

	2018	2017
	£	£
Trade debtors	591,694	1,472,949
Amounts owed by group undertakings	7,020,992	6,161,782
Other debtors	8,050	7,800
Prepayments and accrued income	27,639	24,918
	7,648,375	7,667,449

Amounts owed by group undertakings have no fixed repayment terms, are repayable on demand and are interest free.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	71,652	222,292
Amounts owed to group undertakings	4,062,791	4,018,427
Taxation and social security	92,721	100,323
Other creditors	116,228	122,573
Accruals and deferred income	38,257	51,987
	4,381,649	4,515,602

Amounts owed to group undertakings have no fixed repayment terms, are repayable on demand and are interest free.

12. PROVISIONS FOR LIABILITIES

	Deferred taxation £	Total £
At 1 January 2018	1,246,259	1,246,259
Charged to the profit and loss account	-	-
Credited to other comprehensive income	-	-
At 31 December 2018	1,246,259	1,246,259

Deferred tax is provided for as follows:

	2018 £	2017 £
Accelerated capital allowances	-	-
Revaluation of tangible assets	1,246,259	1,246,259
At 31 December 2018	1,246,259	1,246,259

No significant reversal of deferred tax is expected in 2019.

13. CALLED UP SHARE CAPITAL

	2018 £	2017 £
Called up, allotted and not paid:		
1 (2017: 1) ordinary share of £1 each	1	1

There is a single class of ordinary shares.

14. DEFERRED TAXATION

A deferred tax asset has not been recognised in respect of timing differences relating to fixed assets as the Director considers it is not probable that these timing differences will unwind in the foreseeable future. The total amount of the asset not recognised is £4,858 (2017: £31,474).

15. RELATED PARTY TRANSACTIONS

The Company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the group.

There are no other transactions that require disclosure.

16. FINANCIAL GUARANTEES

The Company is a guarantor to the group facility.

17. RESERVES

Called up share capital - represents the nominal value of shares that have been issued.

Revaluation reserve - this reserve is used to record increases in the fair value of land and buildings and decreases to the extent that such decreases relates to an increase on the same asset.

Capital contribution – this reserve represents a capital contribution received from the shareholder.

Profit and loss account – includes all current and prior period retained profits and losses.

18. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Director considers that the ultimate parent Company and ultimate controlling party is Newco A 13 Limited, a Company registered in England and Wales. The immediate parent undertaking is Newco B 13 Limited, a Company registered in England and Wales. The only group to which the Company belongs for which consolidated financial statements are prepared is Newco A 13 Limited, a Company registered in England and Wales. Copies of the consolidated financial statements of Newco A 13 Limited can be obtained from Highgate Studios, Studio 523, 53-79 Highgate Road, London, NW5 1TL.