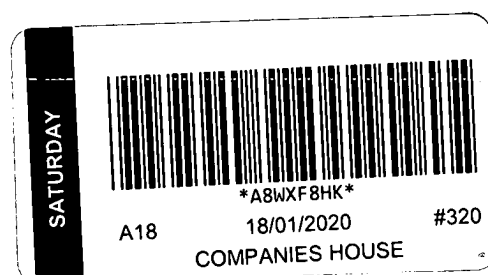


EASTBURY HOUSE (SHERBORNE) LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 MAY 2019
PAGES FOR FILING WITH REGISTRAR



EASTBURY HOUSE (SHERBORNE) LIMITED

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EASTBURY HOUSE (SHERBORNE) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 2 MAY 2019

	Notes	2019 £	£	2018 £	£
Non-current assets					
Intangible assets	3		56,758		67,200
Property, plant and equipment	4		78,692		82,622
			<u>135,450</u>		<u>149,822</u>
Current assets					
Inventories		2,356		2,356	
Trade and other receivables	5	315,307		164,993	
Cash and cash equivalents		7,148		173,588	
		<u>324,811</u>		<u>340,937</u>	
Current liabilities	6	(71,431)		(93,368)	
		<u></u>		<u></u>	
Net current assets			253,380		247,569
Total assets less current liabilities			<u>388,830</u>		<u>397,391</u>
Provisions for liabilities					
Deferred tax liability	7	14,238		14,984	
		<u></u>	(14,238)	<u></u>	(14,984)
Net assets			<u>374,592</u>		<u>382,407</u>
Equity					
Called up share capital	8		140		140
Retained earnings			374,452		382,267
			<u>374,592</u>		<u>382,407</u>
Total equity			<u>374,592</u>		<u>382,407</u>

The director of the company has elected not to include a copy of the income statement within the financial statements.

For the financial period ended 2 May 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

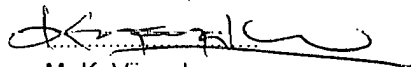
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

EASTBURY HOUSE (SHERBORNE) LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 2 MAY 2019

The financial statements were approved by the board of directors and authorised for issue on 24/12/19
and are signed on its behalf by:



Mr K Vijayakumar
Director

Company Registration No. 04655558

EASTBURY HOUSE (SHERBORNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 2 MAY 2019

1 Accounting policies

Company information

Eastbury House (Sherborne) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 31/33 Commercial Road, Poole, Dorset, BH14 0HU and the principal place of business is Eastbury House, Long Street, Sherborne, Dorset, DT9 3BZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

On the 2 May 2019, the company shares were sold to K and K Care Home Limited, a company owned by Mr Kandiah Vijayakumar by virtue of his majority shareholding in the company.

1.3 Reporting period

These financial statements represent the period from 1 April 2018 to 2 May 2019. The reason for extending the period longer than one year was so as to align the year end with a change of ownership of the company on 2 May 2019.

1.4 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the supply of care services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where payments are received from customers in advance of services provided the amounts are recorded as deferred income and included as part of payables due within one year.

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

EASTBURY HOUSE (SHERBORNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 2 MAY 2019

1 Accounting policies

(Continued)

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised over the FRS 102 default period of 10 years on a straight line basis, as the directors consider that it is not possible to make a reliable estimate of the useful life of the assets.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	15% per annum reducing balance basis
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

EASTBURY HOUSE (SHERBORNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 2 MAY 2019

1 Accounting policies

(Continued)

1.8 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell.

Cost is calculated using the weighted average method.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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 the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

EASTBURY HOUSE (SHERBORNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 2 MAY 2019

1 Accounting policies

(Continued)

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

EASTBURY HOUSE (SHERBORNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 MAY 2019

1 Accounting policies

(Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 39 (2018 - 38).

3 Intangible fixed assets

Goodwill
£

Cost

At 1 April 2018 and 2 May 2019

240,000

Amortisation and impairment

At 1 April 2018

172,800

Amortisation charged for the period

10,442

At 2 May 2019

183,242

Carrying amount

At 2 May 2019

56,758

At 31 March 2018

67,200

4 Property, plant and equipment

**Fixtures,
fittings &
equipment**
£

Cost

At 1 April 2018

250,375

Additions

11,412

At 2 May 2019

261,787

Depreciation and impairment

At 1 April 2018

167,753

Depreciation charged in the period

15,342

At 2 May 2019

183,095

Carrying amount

At 2 May 2019

78,692

At 31 March 2018

82,622

EASTBURY HOUSE (SHERBORNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 2 MAY 2019

5 Trade and other receivables

	2019	2018
	£	£
Amounts falling due within one year:		
Trade receivables	6,760	6,180
Corporation tax recoverable	25,616	25,616
Other receivables	219,936	84,146
Prepayments and accrued income	62,995	49,051
	<u>315,307</u>	<u>164,993</u>

6 Current liabilities

	2019	2018
	£	£
Trade payables	10,954	16,271
Corporation tax	24,920	37,049
Other taxation and social security	6,410	6,129
Other payables	4,663	7,624
Accruals and deferred income	24,484	26,295
	<u>71,431</u>	<u>93,368</u>

7 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019	Liabilities 2018
	£	£
Balances:		
Accelerated capital allowances	<u>14,238</u>	<u>14,984</u>
Movements in the period:		2019
		£
Liability at 1 April 2018		14,984
Credit to profit or loss		(746)
Liability at 2 May 2019		<u>14,238</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

EASTBURY HOUSE (SHERBORNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 2 MAY 2019

8 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
100 ordinary shares of £1 each	100	100
40 'A' ordinary shares of £1 each	40	40
	<u>140</u>	<u>140</u>

9 Financial commitments, guarantees and contingent liabilities

On 7 September 2012 a fixed and floating charge was placed on the assets of the company as a guarantee for a loan taken out by the directors personally. The maximum exposure of the facility at 2 May 2019 was £nil (2018: £83,791).

The government has launched a new sleep-in shift pay compliance scheme to support the social care sector and identify back pay for workers. The company opted into the new Social Care Compliance Scheme (SCCS), giving them up to a year to identify what they may owe to workers, supported by advice from HM Revenue and Customs (HMRC). The financial effect of this is cannot be measured reliably at this stage.

10 Operating lease commitments

Lessee

At the reporting end date the company has outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2019 £	2018 £
Within one year	700	1,375
Between two and five years	700	1,399
	<u>1,400</u>	<u>2,774</u>

11 Directors' transactions

Dividends totalling £101,000 (2018 - £42,000) were paid in the period in respect of shares held by the company's directors.

As at 2 May 2019 the company was owed £135,733 (2018: £82,489) by the directors. Interest of £3,633 (2018: £894) at the official rate was charged on overdrawn balances in the year.

Additional related party information is given in note 9.

12 Parent company

The company is controlled by K and K Care Home Limited by virtue of it's 100% holding of the issued ordinary share capital.