

ARONEL COTTAGE CARE HOME LIMITED

UNAUDITED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2018**

PAGES FOR FILING WITH REGISTRAR



ARONEL COTTAGE CARE HOME LIMITED

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ARONEL COTTAGE CARE HOME LIMITED

BALANCE SHEET

AS AT 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	3		54,775		65,730
Tangible assets	4		242,327		292,147
Investments	5		100		100
			<u>297,202</u>		<u>357,977</u>
Current assets					
Stocks			2,000		2,000
Debtors	6		1,693,176		1,407,135
Cash at bank and in hand			388		283
			<u>1,695,564</u>		<u>1,409,418</u>
Creditors: amounts falling due within one year	7		<u>(286,687)</u>		<u>(216,982)</u>
Net current assets			<u>1,408,877</u>		<u>1,192,436</u>
Total assets less current liabilities			<u>1,706,079</u>		<u>1,550,413</u>
Creditors: amounts falling due after more than one year	8		(75,915)		(94,750)
Provisions for liabilities			(3,776)		(7,268)
Net assets			<u>1,626,388</u>		<u>1,448,395</u>
Capital and reserves					
Called up share capital	9		100		100
Profit and loss reserves			1,626,288		1,448,295
Total equity			<u>1,626,388</u>		<u>1,448,395</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 June 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their 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 year 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.

ARONEL COTTAGE CARE HOME LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2018

The financial statements were approved by the board of directors and authorised for issue on 16/3/19 and are signed on its behalf by:



.....
J T Hitchcock
Director

Company Registration No. 04663533

ARONEL COTTAGE CARE HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

Company information

Aronel Cottage Care Home Limited is a private company limited by shares incorporated in England and Wales. The registered office is 5 Highfield Road, Bognor Regis, West Sussex, PO22 8BQ.

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 Turnover

Turnover 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.

Nursing home fees are deferred and recognised in the period in which they are utilised.

1.3 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life, 20 years.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, 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:

Land and buildings Leasehold	Over the remaining lease term
Fixtures, fittings & equipment	10% reducing balance
Motor vehicles	25% reducing balance

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.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

ARONEL COTTAGE CARE HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed 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.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.8 Cash at bank and in hand

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

1.9 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 balance sheet 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 debtors 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.

ARONEL COTTAGE CARE HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, and loans from fellow group companies, 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 creditors 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 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.

1.11 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 profit and loss account 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 profit and loss account, 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.

1.12 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 fixed 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.

ARONEL COTTAGE CARE HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

1.13 Retirement benefits

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

1.14 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 balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 39 (2017 - 42).

3 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 July 2017 and 30 June 2018	219,100
Amortisation and impairment	
At 1 July 2017	153,370
Amortisation charged for the year	10,955
At 30 June 2018	164,325
Carrying amount	
At 30 June 2018	54,775
At 30 June 2017	65,730

ARONEL COTTAGE CARE HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 July 2017	313,060	270,293	583,353
Additions	-	3,011	3,011
At 30 June 2018	313,060	273,304	586,364
Depreciation and impairment			
At 1 July 2017	171,377	119,829	291,206
Depreciation charged in the year	23,615	29,216	52,831
At 30 June 2018	194,992	149,045	344,037
Carrying amount			
At 30 June 2018	118,068	124,259	242,327
At 30 June 2017	141,683	150,464	292,147

5 Fixed asset investments

	2018 £	2017 £
Investments	100	100

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 July 2017 & 30 June 2018	100
Carrying amount	
At 30 June 2018	100
At 30 June 2017	100

ARONEL COTTAGE CARE HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

6 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	31,315	30,806
Amounts owed by group undertakings	1,624,568	1,375,040
Other debtors	37,293	1,289
	<u>1,693,176</u>	<u>1,407,135</u>

7 Creditors: amounts falling due within one year

	Notes	2018	2017
		£	£
Bank loans and overdrafts		18,689	1,151
Obligations under finance leases		18,835	18,835
Trade creditors		25,795	23,970
Corporation tax		80,599	73,018
Other taxation and social security		30,855	25,392
Other creditors		36,789	8,328
Accruals and deferred income		75,125	66,288
		<u>286,687</u>	<u>216,982</u>

8 Creditors: amounts falling due after more than one year

	Notes	2018	2017
		£	£
Obligations under finance leases		75,915	94,750
		<u>75,915</u>	<u>94,750</u>

9 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

ARONEL COTTAGE CARE HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

10 Operating lease commitments

Lessee

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

2018	2017
£	£
50,573	57,621
<u>50,573</u>	<u>57,621</u>