

**Strategic Report, Report of the Directors and
Audited Financial Statements
for the Year Ended 28 February 2017
for
REGENCY HEALTHCARE LIMITED**

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FOR THE YEAR ENDED 28 FEBRUARY 2017

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REGENCY HEALTHCARE LIMITED

Company Information
FOR THE YEAR ENDED 28 FEBRUARY 2017

DIRECTORS:	A I Alvi M F Chauhdry
SECRETARY:	A I Alvi
REGISTERED OFFICE:	Bankside Lane Bacup Lancashire OL13 8GT
REGISTERED NUMBER:	04833014 (England and Wales)
SENIOR STATUTORY AUDITOR:	Jayendra Ved
AUDITORS:	Sterling Associates Chartered Accountants & Statutory Auditors 5 Theobald Court Theobald Street Elstree Hertfordshire WD6 4RN
BANKERS:	National Westminster Bank Plc St Albans Branch 10 St Peters Street St Albans Hertfordshire AL1 3LY

**Strategic Report
FOR THE YEAR ENDED 28 FEBRUARY 2017**

The directors present their strategic report for the year ended 28 February 2017.

REVIEW OF BUSINESS

The company has been operating successfully for the past few years and will continue to do so in the foreseeable future.

The financial results of the company are set out on page 6 of these financial statements.

Turnover for the year increased by 5% while gross profit profit margin remained similar to previous year at 25%. There were no exceptional items this year and the company generated a profit after tax of £185,136.

PRINCIPAL RISKS AND UNCERTAINTIES

The company uses financial instruments to monitor risks and the main purpose of this is to maintain cashflow stability to enable the company to operate smoothly.

Debtors of £568,768 includes £359,846 due from related companies. The directors of the company are of the opinion that all these amounts are recoverable.

Creditors decreased by 12% to £1,063,306 largely due to an decrease in bank overdraft, trade and other creditors.

The directors foresee no liquidity issues for the forthcoming financial year and any issues which would lead them to believe that there are any going concern problems with the company.

ON BEHALF OF THE BOARD:

A I Alvi - Director

25 January 2018

**Report of the Directors
FOR THE YEAR ENDED 28 FEBRUARY 2017**

The directors present their report with the financial statements of the company for the year ended 28 February 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of nursing homecare services.

DIVIDENDS

The total distribution of dividends for the year ended 28 February 2017 will be £ 50,790 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1 March 2016 to the date of this report.

A I Alvi
M F Chaudhry

FINANCIAL INSTRUMENTS

The company's principal financial instruments comprise bank balances, bank loans, trade debtors, trade creditors and other loans to the company.

In respect bank balances, the liquidity risk is maintaining a balance between the continuity of funding and flexibility through the use of overdrafts when required.

The loans are from financial institutions and the company manages the liquidity risk by ensuring there are sufficient funds to meet the repayments.

Trade debtors are managed in respect of credit and cash flow risks by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring that sufficient funds are available to meet the payments due.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Report of the Directors
FOR THE YEAR ENDED 28 FEBRUARY 2017**

AUDITORS

The auditors, Sterling Associates, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A I Alvi - Director

25 January 2018

Report of the Independent Auditors to the Members of Regency Healthcare Limited

We have audited the financial statements of Regency Healthcare Limited for the year ended 28 February 2017 on pages seven to twenty two. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

Report of the Independent Auditors to the Members of Regency Healthcare Limited

Matters on which we are required to report by exception

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

Jayendra Ved (Senior Statutory Auditor)
for and on behalf of Sterling Associates
Chartered Accountants
& Statutory Auditors
5 Theobald Court
Theobald Street
Elstree
Hertfordshire
WD6 4RN

25 January 2018

Income Statement
FOR THE YEAR ENDED 28 FEBRUARY 2017

		2017	2016
	Notes	£	£
TURNOVER		3,055,924	2,913,399
Cost of sales		<u>2,305,535</u>	<u>2,166,055</u>
GROSS PROFIT		750,389	747,344
Administrative expenses		<u>586,490</u>	<u>598,287</u>
		163,899	149,057
Other operating income		<u>34,347</u>	<u>28,080</u>
OPERATING PROFIT	4	198,246	177,137
Interest receivable and similar income		<u>2</u>	<u>20</u>
		198,248	177,157
Interest payable and similar expenses	5	<u>63,076</u>	<u>49,489</u>
PROFIT BEFORE TAXATION		135,172	127,668
Tax on profit	6	<u>(49,964)</u>	<u>13,464</u>
PROFIT FOR THE FINANCIAL YEAR		185,136	114,204

REGENCY HEALTHCARE LIMITED (REGISTERED NUMBER: 04833014)

**Other Comprehensive Income
FOR THE YEAR ENDED 28 FEBRUARY 2017**

	Notes	2017 £	2016 £
PROFIT FOR THE YEAR		185,136	114,204
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>185,136</u>	<u>114,204</u>

The notes form part of these financial statements

Statement of Financial Position
28 FEBRUARY 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Intangible assets	8		13,323		60,123
Tangible assets	9		<u>2,871,932</u>		<u>2,917,401</u>
			2,885,255		<u>2,977,524</u>
CURRENT ASSETS					
Stocks	10	11,500		11,000	
Debtors	11	568,768		665,836	
Cash at bank and in hand		<u>316</u>		<u>33,652</u>	
		580,584		710,488	
CREDITORS					
Amounts falling due within one year	12	<u>1,063,306</u>		<u>1,214,322</u>	
NET CURRENT LIABILITIES			<u>(482,722)</u>		<u>(503,834)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,402,533		<u>2,473,690</u>
CREDITORS					
Amounts falling due after more than one year	13		(1,707,154)		(1,893,299)
PROVISIONS FOR LIABILITIES	16		<u>-</u>		<u>(19,358)</u>
NET ASSETS			<u>695,379</u>		<u>561,033</u>
CAPITAL AND RESERVES					
Called up share capital	17		1,002		1,002
Capital redemption reserve	18		1		1
Retained earnings	18		<u>694,376</u>		<u>560,030</u>
SHAREHOLDERS' FUNDS			<u>695,379</u>		<u>561,033</u>

The financial statements were approved by the Board of Directors on 25 January 2018 and were signed on its behalf by:

A I Alvi - Director

M F Chauhdry - Director

**Statement of Changes in Equity
FOR THE YEAR ENDED 28 FEBRUARY 2017**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 March 2015	1,002	494,116	1	495,119
Changes in equity				
Dividends	-	(48,290)	-	(48,290)
Total comprehensive income	-	114,204	-	114,204
Balance at 29 February 2016	1,002	560,030	1	561,033
Changes in equity				
Dividends	-	(50,790)	-	(50,790)
Total comprehensive income	-	185,136	-	185,136
Balance at 28 February 2017	1,002	694,376	1	695,379

The notes form part of these financial statements

Statement of Cash Flows
FOR THE YEAR ENDED 28 FEBRUARY 2017

		2017	2016
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	445,313	480,122
Interest paid		(63,076)	(49,489)
Tax paid		-	(372,680)
Net cash from operating activities		<u>298,091</u>	<u>170,331</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(41,671)	(71,046)
Interest received		2	20
Net cash from investing activities		<u>(41,669)</u>	<u>(71,026)</u>
Cash flows from financing activities			
Loan repayments in year		(190,688)	(189,470)
Amount introduced by directors		136,293	-
Amount withdrawn by directors		(148,685)	-
Share issue		-	1,002
Equity dividends paid		(50,790)	(48,290)
Net cash from financing activities		<u>(253,870)</u>	<u>(236,758)</u>
Increase/(decrease) in cash and cash equivalents		2,552	(137,453)
Cash and cash equivalents at beginning of year	2	(136,030)	1,423
Cash and cash equivalents at end of year	2	<u>(133,478)</u>	<u>(136,030)</u>

Notes to the Statement of Cash Flows
FOR THE YEAR ENDED 28 FEBRUARY 2017

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017	2016
	£	£
Profit before taxation	135,172	127,668
Depreciation charges	133,940	122,866
Finance costs	63,076	49,489
Finance income	(2)	(20)
	<u>332,186</u>	<u>300,003</u>
Increase in stocks	(500)	(11,000)
Decrease/(increase) in trade and other debtors	130,402	(57,123)
(Decrease)/increase in trade and other creditors	<u>(16,775)</u>	<u>248,242</u>
Cash generated from operations	<u>445,313</u>	<u>480,122</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 28 February 2017

	28.2.17	1.3.16
	£	£
Cash and cash equivalents	316	33,652
Bank overdrafts	<u>(133,794)</u>	<u>(169,682)</u>
	<u>(133,478)</u>	<u>(136,030)</u>

Year ended 29 February 2016

	29.2.16	1.3.15
	£	£
Cash and cash equivalents	33,652	1,423
Bank overdrafts	<u>(169,682)</u>	<u>-</u>
	<u>(136,030)</u>	<u>1,423</u>

Notes to the Financial Statements
FOR THE YEAR ENDED 28 FEBRUARY 2017

1. **STATUTORY INFORMATION**

Regency Healthcare 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.

The presentation currency of the financial statements is the Pound Sterling (£).

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.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2007, is being amortised evenly over its estimated useful life of ten years.

The directors are of the opinion that the amortisation period of twenty years used in previous years needs to be reviewed this year. The directors have considered the performance of the company since 2007 and believe that the rate of return over a ten year period would be more appropriate to the business. As a result of this change in estimation technique, additional goodwill has been provided for in these financial statements.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 20% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. 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.

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 statement of financial position date.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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.

3. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	1,921,486	1,789,446
Social security costs	129,528	111,696
Other pension costs	28,710	21,073
	<u>2,079,724</u>	<u>1,922,215</u>

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

	2017	2016
Care home staff	171	136
Office and administration	5	5
	<u>176</u>	<u>141</u>

	2017	2016
	£	£
Directors' remuneration	<u>21,831</u>	<u>17,040</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2017	2016
	£	£
Hire of plant and machinery	27,841	27,851
Depreciation - owned assets	87,140	76,065
Goodwill amortisation	46,800	46,800
Auditors' remuneration	<u>-</u>	<u>3,300</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Bank interest	3,416	3,647
Bank loan interest	39,995	39,743
Other Loan Interest	17,700	6,099
Interest on overdue tax	1,965	-
	<u>63,076</u>	<u>49,489</u>

6. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit for the year was as follows:

	2017	2016
	£	£
Current tax:		
UK corporation tax	23,955	11,737
Tax adjustment - prior years	(21,227)	-
Total current tax	<u>2,728</u>	<u>11,737</u>
Deferred tax	(52,692)	1,727
Tax on profit	<u>(49,964)</u>	<u>13,464</u>

Reconciliation of total tax (credit)/charge included in profit and loss

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

	2017	2016
	£	£
Profit before tax	<u>135,172</u>	<u>127,668</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	27,034	25,534
Effects of:		
Expenses not deductible for tax purposes	-	45
Capital allowances in excess of depreciation	(3,079)	(13,842)
Adjustments to tax charge in respect of previous periods	(21,227)	-
rate change		
Deferred Tax	(52,692)	1,727
Total tax (credit)/charge	<u>(49,964)</u>	<u>13,464</u>

7. DIVIDENDS

	2017	2016
	£	£
Ordinary Class "B" share of £1		
Interim	23,871	22,802
Ordinary Class "D" share of £1		
Interim	<u>26,919</u>	<u>25,488</u>
	<u>50,790</u>	<u>48,290</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

8. INTANGIBLE FIXED ASSETS

Goodwill
£

COST

At 1 March 2016
and 28 February 2017

468,043

AMORTISATION

At 1 March 2016
Amortisation for year
At 28 February 2017

407,920

46,800

454,720

NET BOOK VALUE

At 28 February 2017
At 29 February 2016

13,323

60,123

9. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
--	---------------------------	-------------------------------------	-----------------------------

COST

At 1 March 2016
Additions
At 28 February 2017

3,161,777

24,595

218,740

-

-

13,600

3,161,777

24,595

232,340

DEPRECIATION

At 1 March 2016
Charge for year
At 28 February 2017

364,582

3,446

178,076

35,872

492

29,880

400,454

3,938

207,956

NET BOOK VALUE

At 28 February 2017
At 29 February 2016

2,761,323

20,657

24,384

2,797,195

21,149

40,664

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

9. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 March 2016	340,801	1,600	20,841	3,768,354
Additions	28,071	-	-	41,671
At 28 February 2017	368,872	1,600	20,841	3,810,025
DEPRECIATION				
At 1 March 2016	285,253	1,600	17,996	850,953
Charge for year	19,672	-	1,224	87,140
At 28 February 2017	304,925	1,600	19,220	938,093
NET BOOK VALUE				
At 28 February 2017	63,947	-	1,621	2,871,932
At 29 February 2016	55,548	-	2,845	2,917,401

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 March 2016 and 28 February 2017	18,743	2,730	4,810	26,283
DEPRECIATION				
At 1 March 2016 and 28 February 2017	18,742	2,729	4,809	26,280
NET BOOK VALUE				
At 28 February 2017	1	1	1	3
At 29 February 2016	1	1	1	3

10. STOCKS

	2017 £	2016 £
Stocks	11,500	11,000

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	154,924	57,123
Twilight Healthcare Limited	68,947	22,783
Regency Healthcare LLP	187,116	304,543
Regency Healthcare (NW) Ltd	102,013	263,238
Regency Homecare Limited	1,770	1,770
Deferred tax asset	33,334	-
Prepayments	20,664	16,379
	568,768	665,836

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts (see note 14)	321,283	361,714
Trade creditors	65,172	197,215
Tax	42,697	124,115
Social security and other taxes	75,047	51,027
Other creditors	218,514	147,469
Directors' current accounts	123,901	136,293
Accrued expenses	216,692	196,489
	<u>1,063,306</u>	<u>1,214,322</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Bank loans (see note 14)	<u>1,707,154</u>	<u>1,893,299</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	133,794	169,682
Bank loans	<u>187,489</u>	<u>192,032</u>
	<u>321,283</u>	<u>361,714</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>204,032</u>	<u>195,032</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>630,096</u>	<u>609,096</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank Loans - Due over 5 Years	<u>873,026</u>	<u>1,089,171</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2017	2016
	£	£
Bank overdrafts	133,794	169,682
Bank loans	<u>1,894,643</u>	<u>2,085,331</u>
	<u>2,028,437</u>	<u>2,255,013</u>

The Bank Loan is secured by a legal charge over the company's property and interest is charged between 1.40% to 1.625% above the prevailing base rate.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

16. PROVISIONS FOR LIABILITIES

		2016
		£
Deferred tax		<u>19,358</u>
		Deferred tax
		£
Balance at 1 March 2016		<u>19,358</u>
Provided during year		<u>(52,692)</u>
Balance at 28 February 2017		<u><u>(33,334)</u></u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
1,000	Ordinary Class "A"	£1	1,000	1,000
1	Ordinary Class "B"	£1	1	1
1	Ordinary Class "D"	£1	1	1
			<u>1,002</u>	<u>1,002</u>

18. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 March 2016	560,030	1	560,031
Profit for the year	185,136		185,136
Dividends	<u>(50,790)</u>		<u>(50,790)</u>
At 28 February 2017	<u>694,376</u>	<u>1</u>	<u>694,377</u>

19. ULTIMATE CONTROLLING PARTY

The directors are jointly the ultimate controlling party.

Reconciliation of Equity
1 MARCH 2015
(Date of Transition to FRS 102)

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS			
Intangible assets	153,723	-	153,723
Tangible assets	2,932,801	-	2,932,801
	<u>3,086,524</u>	<u>-</u>	<u>3,086,524</u>
CURRENT ASSETS			
Stocks	10,750	-	10,750
Debtors	346,474	-	346,474
Cash at bank and in hand	1,423	-	1,423
	<u>358,647</u>	<u>-</u>	<u>358,647</u>
CREDITORS			
Amounts falling due within one year	(999,947)	-	(999,947)
NET CURRENT LIABILITIES	<u>(641,300)</u>	<u>-</u>	<u>(641,300)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	2,445,224	-	2,445,224
CREDITORS			
Amounts falling due after more than one year	(2,313,744)	-	(2,313,744)
PROVISIONS FOR LIABILITIES	<u>(5,973)</u>	<u>-</u>	<u>(5,973)</u>
NET ASSETS	<u>125,507</u>	<u>-</u>	<u>125,507</u>
CAPITAL AND RESERVES			
Called up share capital	1,002	-	1,002
Capital redemption reserve	1	-	1
Retained earnings	124,504	-	124,504
SHAREHOLDERS' FUNDS	<u>125,507</u>	<u>-</u>	<u>125,507</u>

Reconciliation of Equity - continued
29 FEBRUARY 2016

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS			
Intangible assets	60,123	-	60,123
Tangible assets	2,917,401	-	2,917,401
	<u>2,977,524</u>	<u>-</u>	<u>2,977,524</u>
CURRENT ASSETS			
Stocks	11,000	-	11,000
Debtors	665,836	-	665,836
Cash at bank and in hand	33,652	-	33,652
	<u>710,488</u>	<u>-</u>	<u>710,488</u>
CREDITORS			
Amounts falling due within one year	(1,214,322)	-	(1,214,322)
NET CURRENT LIABILITIES	<u>(503,834)</u>	<u>-</u>	<u>(503,834)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	2,473,690	-	2,473,690
CREDITORS			
Amounts falling due after more than one year	(1,893,299)	-	(1,893,299)
PROVISIONS FOR LIABILITIES	<u>(19,358)</u>	<u>-</u>	<u>(19,358)</u>
NET ASSETS	<u>561,033</u>	<u>-</u>	<u>561,033</u>
CAPITAL AND RESERVES			
Called up share capital	1,002	-	1,002
Capital redemption reserve	1	-	1
Retained earnings	560,030	-	560,030
SHAREHOLDERS' FUNDS	<u>561,033</u>	<u>-</u>	<u>561,033</u>

Reconciliation of Profit
FOR THE YEAR ENDED 29 FEBRUARY 2016

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	2,913,399	-	2,913,399
Cost of sales	(2,166,055)	-	(2,166,055)
GROSS PROFIT	747,344	-	747,344
Administrative expenses	(598,287)	-	(598,287)
Other operating income	28,080	-	28,080
OPERATING PROFIT	177,137	-	177,137
Interest receivable and similar income	20	-	20
Interest payable and similar expenses	(49,489)	-	(49,489)
PROFIT BEFORE TAXATION	127,668	-	127,668
Tax on profit	(13,464)	-	(13,464)
PROFIT FOR THE FINANCIAL YEAR	114,204	-	114,204

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