

**LAKELAND CARE SERVICES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Lakeland Care Services Limited
Unaudited Financial Statements
For The Year Ended 30 September 2019

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Lakeland Care Services Limited
Balance Sheet
As at 30 September 2019

Registered number: 05137535

		2019		2018	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible Assets	4		161,687		190,525
Tangible Assets	5		174,543		193,833
			<u>336,230</u>		<u>384,358</u>
CURRENT ASSETS					
Stocks	6	1,980		1,800	
Debtors	7	376,770		347,806	
Cash at bank and in hand		<u>100,130</u>		<u>3,460</u>	
		478,880		353,066	
Creditors: Amounts Falling Due Within One Year	8	<u>(183,038)</u>		<u>(147,622)</u>	
NET CURRENT ASSETS (LIABILITIES)			<u>295,842</u>		<u>205,444</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>632,072</u>		<u>589,802</u>
Creditors: Amounts Falling Due After More Than One Year	9		<u>(51,496)</u>		<u>(7,472)</u>
PROVISIONS FOR LIABILITIES					
Deferred Taxation	10		<u>(33,999)</u>		<u>(34,296)</u>
NET ASSETS			<u>546,577</u>		<u>548,034</u>
CAPITAL AND RESERVES					
Called up share capital	11		2		2
Profit and Loss Account			<u>546,575</u>		<u>548,032</u>
SHAREHOLDERS' FUNDS			<u>546,577</u>		<u>548,034</u>

Lakeland Care Services Limited
Balance Sheet (continued)
As at 30 September 2019

For the year ending 30 September 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.
- The company has taken advantage of section 444(1) of the Companies Act 2006 and opted not to deliver to the registrar a copy of the company's Profit and Loss Account.

On behalf of the board

Mr Christopher Root

06/03/2020

The notes on pages 3 to 9 form part of these financial statements.

Lakeland Care Services Limited
Notes to the Financial Statements
For The Year Ended 30 September 2019

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

1.2. Turnover

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.

1.3. Intangible Fixed Assets and Amortisation - Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the separable net assets. It is amortised to profit and loss account over its estimated economic life of 20 years.

1.4. Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor Vehicles	- 25% on reducing balance
Fixtures & Fittings	- 20% on reducing balance

1.5. Leasing and Hire Purchase Contracts

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

Lakeland Care Services Limited
Notes to the Financial Statements (continued)
For The Year Ended 30 September 2019

1.6. Stocks and Work in Progress

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.

1.7. Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and 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 end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

1.8. Pensions

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

Lakeland Care Services Limited
Notes to the Financial Statements (continued)
For The Year Ended 30 September 2019

1.9. 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.

3. Average Number of Employees

Average number of employees, including directors, during the year was as follows:

	2019	2018
Health care assistants and administration	50	46
	<u>50</u>	<u>46</u>

4. Intangible Assets

	Goodwill
	£
Cost	
As at 1 October 2018	576,750
As at 30 September 2019	<u>576,750</u>
Amortisation	
As at 1 October 2018	386,225
Provided during the period	28,838
As at 30 September 2019	<u>415,063</u>
Net Book Value	
As at 30 September 2019	<u>161,687</u>
As at 1 October 2018	<u>190,525</u>

Lakeland Care Services Limited
Notes to the Financial Statements (continued)
For The Year Ended 30 September 2019

5. Tangible Assets

	Motor Vehicles	Fixtures & Fittings	Total
	£	£	£
Cost			
As at 1 October 2018	22,098	567,224	589,322
Additions	2,499	23,039	25,538
As at 30 September 2019	<u>24,597</u>	<u>590,263</u>	<u>614,860</u>
Depreciation			
As at 1 October 2018	5,525	389,964	395,489
Provided during the period	4,768	40,060	44,828
As at 30 September 2019	<u>10,293</u>	<u>430,024</u>	<u>440,317</u>
Net Book Value			
As at 30 September 2019	<u>14,304</u>	<u>160,239</u>	<u>174,543</u>
As at 1 October 2018	<u>16,573</u>	<u>177,260</u>	<u>193,833</u>

6. Stocks

	2019	2018
	£	£
Stock - finished goods	1,980	1,800
	<u>1,980</u>	<u>1,800</u>

7. Debtors

	2019	2018
	£	£
Due within one year		
Trade debtors	60,894	58,315
Prepayments and accrued income	26,153	17,040
Other debtors	7,381	7,211
Corporation tax recoverable	16,202	35,100
Directors' loan accounts	173,945	108,732
Amounts owed by associates	92,195	121,408
	<u>376,770</u>	<u>347,806</u>

Lakeland Care Services Limited
Notes to the Financial Statements (continued)
For The Year Ended 30 September 2019

8. Creditors: Amounts Falling Due Within One Year

	2019	2018
	£	£
Trade creditors	31,494	25,478
Corporation tax	18,200	-
Other taxes and social security	9,460	8,664
Other creditors	55,944	49,733
Accruals and deferred income	67,940	63,747
	<u>183,038</u>	<u>147,622</u>

9. Creditors: Amounts Falling Due After More Than One Year

	2019	2018
	£	£
Hire purchase due after one year	2,878	7,472
Other long term creditors	48,618	-
	<u>51,496</u>	<u>7,472</u>

10. Deferred Taxation

The provision for deferred taxation is made up of accelerated capital allowances

	2019	2018
	£	£
Deferred tax	33,999	34,296
	<u>33,999</u>	<u>34,296</u>

Lakeland Care Services Limited
Notes to the Financial Statements (continued)
For The Year Ended 30 September 2019

11. Share Capital

			2019	2018
Allotted, Called up and fully paid			2	2
			<u>2</u>	<u>2</u>
	Value	Number	2019	2018
	£		£	£
Allotted, called up and fully paid				
Ordinary A shares	1.000	1	1	1
Ordinary B shares	1.000	1	1	1
			<u>2</u>	<u>2</u>

12. Other Commitments

At 30 September 2018 the company was committed to making the following payments under non-cancellable operating leases:

	Other	2019	2018
		£	£
Within 1 year		4,889	7,397
Between 1 and 5 years		4,727	9,616
		<u>9,616</u>	<u>17,013</u>

13. Related Party Transactions

The company operates from premises owned by the directors. During the period the company was charged a rent for use of the premises of £18,000 (2018: £110,000).

Included in other debtors as at 30th September 2019 the company was owed by the directors £173,945 (2018:£108,732). The loan has no fixed term for repayment. Interest on the loan is charged at 2.5%. During the year interest of £3,490 was received by the company (2018 £2,554).

Included in other debtors as at 30th September 2019 is an amount of £92,195 (2018: £121,408) owed to the company by Lakeland Care Group Limited, a company in which Mr. and Mrs. C Root are the directors and shareholders. The loan is interest free and repayable on demand.

During the year dividends of £110,000 (2018: £60,000) were paid to directors.

14. Ultimate Controlling Party

The company is controlled by the directors by virtue of their 100% shareholding of the issued ordinary share capital

Lakeland Care Services Limited
Notes to the Financial Statements (continued)
For The Year Ended 30 September 2019

15. Contingent Liabilities

In May 2015 the company entered into cross guarantees with Lakeland Care Group Limited and Cumbria Nursing Services Limited, companies which Mr and Mrs Root, directors, control and in which they are directors, in respect of bank borrowings of Lakeland Care Group Limited.

A debenture was registered in May 2015 for a fixed and floating charge over the assets of the company.

The bank borrowings held in the name of Lakeland Care Group Limited totalled £1,065,522 (2018: £1,117,116).

At 30 September 2019 the company had contingent liabilities amounting to £81,567 (2018: £70,029) in respect of possible additional charge to corporation tax resulting from the initial apportionment on purchase of the value of the care homes attributable to goodwill. The determination of any liability to charge remains the subject of correspondence as at the financial year end.

16. General Information

Lakeland Care Services Limited is a private company, limited by shares, incorporated in England & Wales, registered number 05137535. The registered office is 31/33 Commercial Road, Poole, Dorset, BH14 0HU.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.