

**Company Registration No. 5271420**

**Highdowns Residential Homes Limited**

**Directors' Report and Financial Statements**

**22 March 2013**



# **Highdowns Residential Homes Limited**

## **Directors' Report and financial statements**

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# **Highdowns Residential Homes Limited**

## **Directors' Report and financial statements**

### **Officers and professional advisers**

#### **Directors**

J Webster  
J Farragher  
M Hawkes  
S Foxall-Smith

#### **Secretary**

J Webster

#### **Registered Office**

Ground Floor Unit 1  
Princeton Mews  
167-169 London Road  
Kingston-upon-Thames  
Surrey  
KT2 6PT

#### **Business address**

Black Rock  
Cambourne  
TR4 9PD

#### **Solicitors**

Wragge & Co  
3 Waterhouse Square  
142 Holborn  
London  
EC1N 2SW

#### **Bankers**

Barclays Corporate  
Level 27  
1 Churchill Place  
London  
E14 5HP

#### **Auditor**

KPMG LLP  
1 Forest Gate  
Brighton Road  
Crawley  
RH11 9PT

# Highdowns Residential Homes Limited

## Directors' report

The Directors present their Directors' report and the audited financial statements for the period ended 22 March 2013

This Directors' Report has been prepared in accordance with the special provisions relating to small companies under s415A of the Companies Act 2006

### Principal activities and review of business

The principal activity of the Company continued to be that of care provision for people with learning difficulties

The profit and loss account for the period is set out on page 5 The Company's results are in line with expectations  
The Directors are not aware at this date of the report, of any likely changes in the Company's activities in the next period

### Dividends

The Directors do not recommend the payment of a dividend (2012 £nil)

### Directors

The following Directors have held office throughout the period were

J Webster

J Farragher

S Foxall-Smith (Appointed 16<sup>th</sup> July 2012)

M Hawkes

### Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of the Directors which were made during the period and remain in force at the date of this report

### Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' report confirm that

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

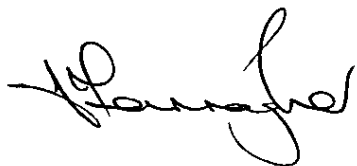
### Auditor

Pursuant to section 481 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office KPMG LLP were appointed during the year

By order of the Board

J Farragher  
Director

10 July 2013



# **Highdowns Residential Homes Limited**

## **Statement of Directors' responsibilities**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008) and applicable law (UK Generally Accepted Accounting Practice applicable to Smaller Entities). 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 estimates that are reasonable and prudent, and
- \* 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditor's report to the members of Highdowns Residential Homes Limited**

We have audited the financial statements of Highdowns Residential Homes Limited for the period ended 22 March 2013 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

### **Respective responsibilities of Directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Practice Board's Ethical Standards for Auditors.

### **Scope of the audit of financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 22 March 2013 and of its profit for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on matters prescribed in the Companies Act 2006**

In our opinion the information in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

### **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
- the Directors were not entitled to prepare the financial statements and the Directors' report in accordance with the small companies regime.



Paul Gresham (Senior Statutory Auditor)  
for and on behalf of KPMG LLP  
Chartered Accountants and Statutory Auditor  
Crawley, United Kingdom

10 July 2013

# Highdowns Residential Homes Limited

## Profit and loss account Period ended 22 March 2013

	Notes	51 weeks ending 22 March 2013 £	53 weeks ending 30 March 2012 £
<b>Turnover</b>	2	953,077	938,077
Cost of sales		(564,373)	(440,547)
<b>Gross profit</b>		388,704	497,530
Administrative expenses		(129,420)	(75,321)
<b>Operating profit</b>	3	259,284	422,209
Interest receivable and similar income	6	53,506	44,606
Interest payable and similar charges	7	(82)	-
<b>Profit on ordinary activities before taxation</b>		312,708	466,815
Tax credit on profit on ordinary activities	8	504	366
<b>Profit on ordinary activities after taxation</b>	14	313,212	467,181

All activities relate to continuing operations for both periods

There were no recognised gains or losses other than the profit for the year in both periods. Accordingly no statement of total recognised gains and losses is presented.

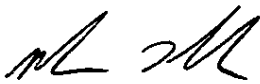
**Highdowns Residential Homes Limited**  
**Company Registration No. 5271420**

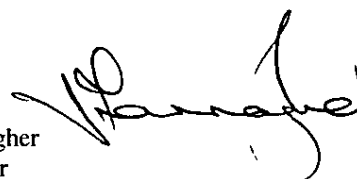
**Balance sheet**  
**At 22 March 2013**

	Notes	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	9	61,824	44,839
<b>Current assets</b>			
Debtors	10	2,338,556	2,115,061
Cash at bank and in hand		770	4,093
<b>Creditors: amounts falling due within one year</b>	11	2,339,326 (32,380)	2,119,154 (108,435)
<b>Net current assets</b>		2,306,946	2,010,719
<b>Total assets less current liabilities</b>		2,368,770	2,055,558
<b>Net assets</b>		2,368,770	2,055,558
<b>Capital and reserves</b>			
Called up share capital	13	100	100
Profit and loss account	14	2,368,670	2,055,458
<b>Shareholders' funds</b>		2,368,770	2,055,558

The financial statements of Highdowns Residential Homes Limited (registered number 5271420) were approved by the Board of Directors on *10 July* 2013

Signed on behalf of the Board of Directors

  
M Hawkes  
Director

  
J Farragher  
Director



# Highdowns Residential Homes Limited

## Notes to the accounts

### Period ended 22 March 2013

#### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with the items which are considered material in relation to the financial statements

##### Accounting convention

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of certain land & buildings

The financial year of all Group companies is the period up to the Friday before, or falling on the accounting reference date of 20 March (2012–30 March). The current period's financial statements are therefore drawn up for the 51 weeks ended Friday 22 March 2013. The next year's financial statements will be drawn up for the 52 weeks ending 21 March 2014. The last period's financial statements were for the period of 53 weeks ending Friday 30 March 2012.

##### Going concern

The Company is a member of the Group headed by Regard Holdings Limited and guarantees the obligations of the Group's borrowers under the banking facilities agreements (see note 16). Disclosures relating to the going concern assumption adopted by Regard Holdings Limited are included in the accounts of that Company.

After making enquiries, and taking into account the cashflow and covenant forecasts of the Regard Holdings Limited Group, the Directors have a reasonable expectation that the Group and the Company has adequate resources for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Company's financial statements.

##### Cash flow statements

The Company has taken advantage of the exemption under the rules of Financial Reporting Standard No 1 (revised) not to produce a cash flow statement. The cash flow information is contained in the consolidated accounts of the ultimate Parent Company, Regard Holdings Limited.

##### Turnover

Turnover represents amounts receivable for services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

##### Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation and any provision for impairment. 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:

Plant and machinery 20% to 33.33% straight line

##### Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. The deferred tax balance has not been discounted.

#### 2. Turnover

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

# Highdowns Residential Homes Limited

## Notes to the accounts Period ended 22 March 2013

### 3. Operating profit

	51 weeks ending 22 March 2013 £	53 weeks ending 30 March 2012 £
Operating profit is stated after charging		
Depreciation	20,265	12,519
Auditor's remuneration – audit of the Company's financial statements	2,000	2,500
	<u>22,265</u>	<u>15,019</u>

### 4. Directors' emoluments

No Directors received any emoluments for the Company during the year (2012 £nil)

### 5. Employees

	51 weeks ending 22 March 2013 No.	53 weeks ending 30 March 2012 No.
<b>Number of employees</b>		
The average monthly number of employees (excluding Directors) during the period was		
Residents' care and maintenance	26	24
	<u>£</u>	<u>£</u>
<b>Employment costs</b>		
Wages and salaries	407,950	368,601
Social security costs	29,116	27,874
	<u>437,066</u>	<u>396,475</u>

### 6. Interest receivable and similar income

	51 weeks ending 22 March 2013 £	53 weeks ending 30 March 2012 £
Intercompany interest	53,506	44,606
	<u>53,506</u>	<u>44,606</u>

### 7. Interest payable and similar charges

	51 weeks ending 22 March 2013 £	53 weeks ending 30 March 2012 £
Intercompany interest	82	-
	<u>82</u>	<u>-</u>

# Highdowns Residential Homes Limited

## Notes to the accounts Period ended 22 March 2013

### 8. Taxation

	51 weeks ending 22 March 2013 £	53 weeks ending 30 March 2012 £
<b>Current Tax</b>		
UK corporation tax	-	-
<b>Current tax charge</b>	-	-
<b>Deferred tax</b>		
Deferred tax credit – current year	(733)	(1,052)
Deferred tax credit – prior year	229	686
	(504)	(366)
	(504)	(366)
<b>Factors affecting the tax for the year</b>		
Profit on ordinary activities before taxation	312,708	466,815
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24% (2011 24%)	75,050	121,372
<b>Effects of</b>		
Transfer pricing adjustment	(27,968)	(26,830)
Group relief	(49,109)	(95,555)
Fixed asset differences	1,258	-
Adjustments to brought forward values	(48)	-
Capital allowances for year in excess of depreciation	717	-
Other short - term timing differences	100	1,013
	(75,050)	(121,372)
<b>Current tax charge</b>	-	-

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantially enacted on the 5<sup>th</sup> July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) was substantially enacted on 26 March 2012 and 3 July 2012 respectively. This will have reduced the Company's future current tax rate accordingly. The deferred tax asset at 22 March 2013 has been calculated based on the rate of 23% substantially enacted on the balance sheet date.

The March 2013 budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% reduction, although this will further reduce the Company's future tax charge and reduce the Company's deferred tax asset accordingly.

# Highdowns Residential Homes Limited

## Notes to the accounts Period ended 22 March 2013

### 9. Tangible fixed assets

	<b>Plant and machinery £</b>
<b>Cost:</b>	
At 30 March 2012	110,377
Additions	37,250
	<hr/>
At 22 March 2013	147,627
	<hr/>
<b>Depreciation:</b>	
At 30 March 2012	65,538
Charge for the year	20,265
	<hr/>
At 22 March 2013	85,803
	<hr/>
<b>Net book value:</b>	
At 30 March 2012	44,839
	<hr/>
At 22 March 2013	61,824
	<hr/>

### 10. Debtors

	<b>2013 £</b>	<b>2012 £</b>
Trade debtors	18,496	15,122
Amounts owed by Group undertakings	2,313,450	2,088,500
Deferred tax asset (see note 11)	5,991	5,487
Prepayments and accrued income	619	5,952
	<hr/>	<hr/>
	2,338,556	2,115,061
	<hr/>	<hr/>

Loan interest owed from Group undertakings was receivable at 2.5% (2012: 2.5%). The balances are receivable on demand.

### 11. Creditors: amounts falling due within one year

	<b>2013 £</b>	<b>2012 £</b>
Trade creditors	-	21,614
Amounts owed by Group undertakings	3,363	52
Other creditors	-	19,010
Accruals and deferred income	29,017	67,759
	<hr/>	<hr/>
	32,380	108,435
	<hr/>	<hr/>

# Highdowns Residential Homes Limited

## Notes to the accounts Period ended 22 March 2013

### 12. Deferred tax asset

	<b>Deferred tax asset £</b>
Balance at 30 March 2012	5,487
Credit to profit and loss account	504
	<hr/>
Balance at 22 March 2013 (see note 9)	5,991
	<hr/>

The deferred tax asset is made up as follows

	<b>2013 £</b>	<b>2012 £</b>
Accelerated capital allowances	5,991	5,487
	<hr/>	<hr/>

### 13. Called up share capital

	<b>2013 £</b>	<b>2012 £</b>
<b>Called up, allotted and fully paid:</b>		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>

### 14. Reserves

	<b>£</b>
Balance at 30 March 2012	2,055,458
Profit for the period	313,212
	<hr/>
Balance at 22 March 2013	2,368,670
	<hr/>

### 15. Related party transactions

The Company has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to disclose transactions with Group companies

# **Highdowns Residential Homes Limited**

## **Notes to the accounts**

**Period ended 22 March 2013**

**16. Contingent liabilities**

The Company, together with other Group companies, has guaranteed the Group's obligations under the Group bank facility

**17. Ultimate Parent Company**

The immediate Parent Company is The Regard Partnership Limited, and the ultimate Parent Company is Regard Holdings Limited, a Company which is incorporated in Great Britain and registered in England and Wales. Ultimate control resides jointly with J Webster and J Farragher.

The smallest and largest Group into which the results of Highdowns Residential Homes Limited are consolidated is Regard Holdings Limited. The consolidated accounts of Regard Holdings Limited may be obtained from the Company's registered address at Ground Floor Unit 1 Princeton Mews, 167 - 169 London Road, Kingston upon Thames, Surrey KT2 6PT.