

Company Registration No. 5271420

Highdowns Residential Homes Limited

Directors' Report and Financial Statements

21 March 2014

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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

M Hawkes
S Foxall-Smith

Secretary

M Hawkes

Registered Office

Unit 7, Princeton Mews
167-169 London Road
Kingston-upon-Thames
Surrey
KT2 6PT

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 21 March 2014.

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 (2013: £nil).

Directors

The following Directors who have held office throughout the period were:

J Webster (resigned 6th February 2014)

J Farragher (resigned 16th May 2014)

S Foxall-Smith

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.

By order of the Board



M Hawkes
Director

16/4/ 2014

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 21 March 2014 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.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 21 March 2014 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

17 July 2014

Highdowns Residential Homes Limited

Profit and loss account Period ended 21 March 2014

	Notes	52 weeks ending 21 March 2014 £	51 weeks ending 22 March 2013 £
Turnover	2	964,881	953,077
Cost of sales		(525,984)	(564,373)
Gross profit		438,897	388,704
Administrative expenses		(90,148)	(129,420)
Operating profit	3	348,749	259,284
Interest receivable and similar income	6	61,514	53,506
Interest payable and similar charges	7	(83)	(82)
Profit on ordinary activities before taxation		410,180	312,708
Tax credit on profit on ordinary activities	8	(929)	504
Profit on ordinary activities after taxation	14	409,251	313,212

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.

The accompanying notes on pages 7 to 12 form an integral part of the financial statements.

Highdowns Residential Homes Limited
Company Registration No. 5271420

Balance sheet
At 21 March 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	9	158,302	61,824
Current assets			
Debtors	10	2,672,227	2,338,556
Cash at bank and in hand		2,738	770
		2,674,965	2,339,326
Creditors: amounts falling due within one year	11	(55,246)	(32,380)
Net current assets		2,619,719	2,306,946
Total assets less current liabilities		2,778,021	2,368,770
Net assets		2,778,021	2,368,770
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account	14	2,777,921	2,368,670
Shareholders' funds		2,778,021	2,368,770

The accompanying notes on pages 7 to 12 form an integral part of the financial statements

The financial statements of Highdowns Residential Homes Limited (registered number 5271420) were approved by the Board of Directors on 16/7/2014.

Signed on behalf of the Board of Directors



M Hawkes
 Director

Highdowns Residential Homes Limited

Notes to the accounts

Period ended 21 March 2014

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 (2013: 20 March). The current period's financial statements are therefore drawn up for the 52 weeks ended Friday 21 March 2014. The next year's financial statements will be drawn up for the 52 weeks ending 20 March 2015. The last period's financial statements were for the period of 51 weeks ending Friday 22 March 2013.

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 21 March 2014

3. Operating profit

	52 weeks ending 21 March 2014 £	51 weeks ending 22 March 2013 £
Operating profit is stated after charging:		
Depreciation	26,337	20,265
Auditor's remuneration – audit of the Company's financial statements	2,000	2,000
	<u>28,337</u>	<u>22,265</u>

4. Directors' emoluments

No Directors received any emoluments for the Company during the year (2013: £nil).

5. Employees

Number of employees	52 weeks ending 21 March 2014 No.	51 weeks ending 22 March 2013 No.
The average monthly number of employees (excluding Directors) during the period was:		
Residents' care and maintenance	36	26
	<u>£</u>	<u>£</u>
Employment costs		
Wages and salaries	440,021	407,950
Social security costs	30,447	29,116
	<u>470,468</u>	<u>437,066</u>

6. Interest receivable and similar income

	52 weeks ending 21 March 2014 £	51 weeks ending 22 March 2013 £
Intercompany interest	61,514	53,506

7. Interest payable and similar charges

	52 weeks ending 21 March 2014 £	51 weeks ending 22 March 2013 £
Intercompany interest	83	82

Highdowns Residential Homes Limited

Notes to the accounts Period ended 21 March 2014

8. Taxation

	52 weeks ending 21 March 2014 £	51 weeks ending 22 March 2013 £
Current Tax		
UK corporation tax	-	-
Current tax charge	-	-
Deferred tax		
Deferred tax credit – current year	49	(733)
Adjustments in respect of prior periods	113	-
Deferred tax credit – prior year	767	229
	929	(504)
	929	(504)
Factors affecting the tax for the year		
Profit on ordinary activities before taxation	410,180	312,708
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23% (2013: 24%)	94,341	75,050
Effects of:		
Transfer pricing adjustment	-	(27,968)
Group relief	(98,494)	(49,109)
Fixed asset differences	4,109	1,258
Adjustments to brought forward values	-	(48)
Capital allowances for year in excess of depreciation	(52)	717
Other short - term timing differences	96	100
	(94,341)	(75,050)
Current tax charge	-	-

The main rate of UK corporation tax (effective from 1 April 2014) that was substantively enacted at the balance sheet date was 21%. In the March 2014 Budget, the UK government maintained that the main rate will reduce to 20% from 1 April 2015, and this will reduce the company's future current tax charge accordingly. There are no other factors that may significantly impact the future tax charge.

Highdowns Residential Homes Limited

Notes to the accounts Period ended 21 March 2014

9. Tangible fixed assets

	Plant and machinery £
Cost:	
At 22 March 2013	147,627
Additions	122,815
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At 21 March 2014	270,442
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Depreciation:	
At 22 March 2013	85,803
Charge for the year	26,337
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At 21 March 2014	112,140
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Net book value:	
At 22 March 2013	61,824
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At 21 March 2014	158,302
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10. Debtors

	2014 £	2013 £
Trade debtors	20,698	18,496
Amounts owed by Group undertakings	2,645,378	2,313,450
Deferred tax asset (see note 12)	5,062	5,991
Prepayments and accrued income	1,089	619
	<hr/>	<hr/>
	2,672,227	2,338,556
	<hr/>	<hr/>

Loan interest owed from Group undertakings was receivable at 2.5% (2013: 2.5%). The balances are receivable on demand.

11. Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	19,435	-
Amounts owed by Group undertakings	3,392	3,363
Accruals and deferred income	32,419	29,017
	<hr/>	<hr/>
	55,246	32,380
	<hr/>	<hr/>

Highdowns Residential Homes Limited

Notes to the accounts Period ended 21 March 2014

12. Deferred tax asset

	Deferred tax asset £
Balance at 22 March 2013	5,991
Credit to profit and loss account	(929)
Balance at 21 March 2014 (see note 10)	<u>5,062</u>

The deferred tax asset is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	4,770	5,651
Short term timing differences	292	340
	<u>5,062</u>	<u>5,991</u>

13. Called up share capital

	2014 £	2013 £
Called up, allotted and fully paid:		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

14. Reserves

	£
Balance at 22 March 2013	2,368,670
Profit for the period	409,251
Balance at 21 March 2014	<u>2,777,921</u>

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 21 March 2014

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.