

**CANNON CARE HOMES LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2018**

THURSDAY



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A07 27/12/2018 #265  
COMPANIES HOUSE

# **CANNON CARE HOMES LIMITED**

## **COMPANY INFORMATION**

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<b>DIRECTOR</b>	Mr R Cannon
<b>COMPANY SECRETARY</b>	Mrs J Cannon
<b>REGISTERED NUMBER</b>	05317825
<b>REGISTERED OFFICE</b>	50 The Terrace Torquay Devon TQ1 1DD
<b>INDEPENDENT AUDITORS</b>	Bishop Fleming LLP Chartered Accountants & Statutory Auditors 50 The Terrace Torquay Devon TQ1 1DD
<b>BANKERS</b>	Lloyds bank Plc PO Box 1000 BX1 1LT
<b>SOLICITORS</b>	Boyce Hatton 58 The Terrace Torquay Devon TQ1 1DE

# **CANNON CARE HOMES LIMITED**

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# **CANNON CARE HOMES LIMITED**

## **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018**

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### **INTRODUCTION**

The group has had a successful year with the full benefit of the Check House extension. This will enable the group to maximise its potential occupancy.

### **BUSINESS REVIEW**

During the year the company has incurred expenditure on behalf of other group companies and has recharged these to group companies.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties of the company and group are group trading performance and the ability of the group to continue as a going concern.

### **FINANCIAL KEY PERFORMANCE INDICATORS**

Financial key performance indicators which the group uses to monitor performance are salary costs as a percentage of income, operating profit and EBITDA, which are standard performance measures across the industry.

### **OTHER KEY PERFORMANCE INDICATORS**

The group monitors average monthly occupancy. The group achieved an average occupancy for the year in excess of the target set by management.

This report was approved by the board on 21 December 2018 and signed on its behalf.



**Mr R Cannon**  
Director

## **CANNON CARE HOMES LIMITED**

### **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2018**

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The director presents his report and the financial statements for the year ended 31 March 2018.

#### **DIRECTOR'S RESPONSIBILITIES STATEMENT**

The director is responsible for preparing the Group strategic report, the Director's report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with 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'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Group will continue in business.

The director is 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 the Group and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £312,932 (2017: £1,038,730).

Dividends declared and paid in the year amounted to £325,000 (2017: £650,000).

#### **DIRECTOR**

The director who served during the year was:

Mr R Cannon

#### **FUTURE DEVELOPMENTS**

Having completed the extensions at Silverleigh increasing capacity to 65, and at Check House increasing the capacity to 57, the group is intending to extend the property at Thornfield House.

The Director reviews with management on an annual basis the remuneration and terms of employment of the groups employees. The Director is committed to equal treatment and the elimination of discrimination in employment. This applies to all stages of employment, including recruitment, selection, learning and training, pay and working relationships.

**CANNON CARE HOMES LIMITED**

**DIRECTOR'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2018**

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**DISCLOSURE OF INFORMATION TO AUDITORS**

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

**POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Group since the year end.

**AUDITORS**

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**Mr R Cannon  
Director**

Date: 21 December 2018

50 The Terrace  
Torquay  
Devon  
TQ1 1DD

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CANNON CARE HOMES LIMITED**

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**OPINION**

We have audited the financial statements of Cannon Care Homes Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2018, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2018 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**OTHER INFORMATION**

The director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

## **CANNON CARE HOMES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CANNON CARE HOMES LIMITED (CONTINUED)**

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We have nothing to report in this regard.

#### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Director's report have been prepared in accordance with applicable legal requirements.

#### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Director's responsibilities statement on page 2, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

#### **AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.



**CANNON CARE HOMES LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CANNON CARE HOMES LIMITED  
(CONTINUED)**

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**USE OF OUR REPORT**

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 Auditors' 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.

A handwritten signature in black ink, appearing to read 'Bishop Fleming LLP', is written over the printed name of the auditor.

William Hanbury FCA (Senior statutory auditor)

for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

50 The Terrace

Torquay

Devon

TQ1 1DD

21 December 2018

**CANNON CARE HOMES LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Turnover	4	7,970,566	7,192,176
Cost of sales		(4,662,863)	(4,072,155)
<b>GROSS PROFIT</b>		<b>3,307,703</b>	<b>3,120,021</b>
Administrative expenses		(2,112,925)	(1,677,580)
<b>OPERATING PROFIT</b>	5	<b>1,194,778</b>	<b>1,442,441</b>
Interest receivable and similar income	8	34,420	25,898
Interest payable and expenses	9	(436,857)	(442,945)
<b>PROFIT BEFORE TAXATION</b>		<b>792,341</b>	<b>1,025,394</b>
Tax on profit	10	(479,409)	13,336
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>312,932</b>	<b>1,038,730</b>
Revaluation movement		2,066,647	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>2,066,647</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>2,379,579</b>	<b>1,038,730</b>
<b>PROFIT FOR THE YEAR ATTRIBUTABLE TO:</b>			
Owners of the parent Company		312,932	1,038,730
		<b>312,932</b>	<b>1,038,730</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:</b>			
Owners of the parent Company		2,379,579	1,038,730
		<b>2,379,579</b>	<b>1,038,730</b>

The notes on pages 15 to 33 form part of these financial statements.

**CANNON CARE HOMES LIMITED**  
**REGISTERED NUMBER:05317825**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**

	Note	2018 £	2017 £
<b>FIXED ASSETS</b>			
Tangible assets	12	22,778,948	20,761,138
		<u>22,778,948</u>	<u>20,761,138</u>
<b>CURRENT ASSETS</b>			
Stocks	14	7,370	6,250
Debtors: amounts falling due within one year	15	2,406,730	1,583,921
Cash at bank and in hand	16	979,232	473,531
		<u>3,393,332</u>	<u>2,063,702</u>
Creditors: amounts falling due within one year	17	(2,080,592)	(1,908,060)
<b>NET CURRENT ASSETS</b>		<u>1,312,740</u>	<u>155,642</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>24,091,688</u>	<u>20,916,780</u>
Creditors: amounts falling due after more than one year	18	(14,699,866)	(13,884,418)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	22	(2,457,591)	(2,152,710)
		<u>(2,457,591)</u>	<u>(2,152,710)</u>
<b>NET ASSETS EXCLUDING PENSION ASSET</b>		<u>6,934,231</u>	<u>4,879,652</u>
<b>NET ASSETS</b>		<u>6,934,231</u>	<u>4,879,652</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	23	1	1
Profit and loss account	24	6,934,230	4,879,651
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY</b>		<u>6,934,231</u>	<u>4,879,652</u>
		<u>6,934,231</u>	<u>4,879,652</u>

**CANNON CARE HOMES LIMITED**  
**REGISTERED NUMBER:05317825**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2018**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

A handwritten signature in black ink, appearing to be 'R Cannon', with a stylized, cursive script.

**Mr R Cannon**  
Director

Date: 21 December 2018

The notes on pages 15 to 33 form part of these financial statements.

**CANNON CARE HOMES LIMITED**  
**REGISTERED NUMBER:05317825**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**

	Note	2018 £	2017 £
<b>FIXED ASSETS</b>			
Tangible assets	12	1,286	1,715
Investments	13	3,911,453	3,911,453
		<u>3,912,739</u>	<u>3,913,168</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	15	12,170,516	10,770,592
Cash at bank and in hand	16	845,020	338,253
		<u>13,015,536</u>	<u>11,108,845</u>
Creditors: amounts falling due within one year	17	(1,222,417)	(900,676)
<b>NET CURRENT ASSETS</b>		<u>11,793,119</u>	<u>10,208,169</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>15,705,858</u>	<u>14,121,337</u>
Creditors: amounts falling due after more than one year	18	(14,573,169)	(13,725,582)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	22	(198)	(292)
		<u>(198)</u>	<u>(292)</u>
<b>NET ASSETS</b>		<u>1,132,491</u>	<u>395,463</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	23	1	1
Profit and loss account brought forward		395,462	881,580
Profit for the year		1,062,028	163,882
Other changes in the profit and loss account		(325,000)	(650,000)
		<u>1,132,490</u>	<u>395,462</u>
Profit and loss account carried forward		<u>1,132,491</u>	<u>395,463</u>

**CANNON CARE HOMES LIMITED**  
**REGISTERED NUMBER:05317825**

**COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2018**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

A handwritten signature in black ink, appearing to be 'R Cannon', written over a horizontal line.

**Mr R Cannon**  
Director

Date: 21 December 2018

The notes on pages 15 to 33 form part of these financial statements.

**CANNON CARE HOMES LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 April 2016</b>	<b>1</b>	<b>4,490,921</b>	<b>4,490,922</b>
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	1,038,730	1,038,730
Dividends: Equity capital	-	(650,000)	(650,000)
<b>At 1 April 2017</b>	<b>1</b>	<b>4,879,651</b>	<b>4,879,652</b>
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	312,932	312,932
Revaluation of fixed assets	-	2,066,647	2,066,647
Dividends: Equity capital	-	(325,000)	(325,000)
<b>TOTAL TRANSACTIONS WITH OWNERS</b>	<b>-</b>	<b>(325,000)</b>	<b>(325,000)</b>
<b>AT 31 MARCH 2018</b>	<b>1</b>	<b>6,934,230</b>	<b>6,934,231</b>

The notes on pages 15 to 33 form part of these financial statements.

**CANNON CARE HOMES LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 April 2016</b>	<b>1</b>	<b>881,580</b>	<b>881,581</b>
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	163,882	163,882
<b>CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS</b>			
Dividends: Equity capital	-	(650,000)	(650,000)
<b>At 1 April 2017</b>	<b>1</b>	<b>395,462</b>	<b>395,463</b>
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	1,062,028	1,062,028
<b>CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS</b>			
Dividends: Equity capital	-	(325,000)	(325,000)
<b>AT 31 MARCH 2018</b>	<b>1</b>	<b>1,132,490</b>	<b>1,132,491</b>

The notes on pages 15 to 33 form part of these financial statements.



**CANNON CARE HOMES LIMITED****CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 £	2017 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the year	312,932	1,038,730
<b>ADJUSTMENTS FOR:</b>		
Depreciation of tangible assets	219,627	258,470
Loss on disposal of tangible assets	(16,580)	-
Interest paid	436,859	442,942
Interest received	(34,420)	(25,898)
Taxation charge	479,409	(13,336)
(Increase) in stocks	(1,120)	(3,475)
(Increase)/decrease in debtors	(822,806)	172,095
Increase in creditors	1,831	214,790
Corporation tax (paid)	(164,692)	(113,217)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>411,040</b>	<b>1,971,101</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible fixed assets	(224,709)	(1,479,097)
Sale of tangible fixed assets	70,499	-
Interest received	34,420	25,898
HP interest paid	(20,349)	(37,136)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(140,139)</b>	<b>(1,490,335)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New secured loans	996,690	1,016,004
Repayment of debenture loans	-	(1,070,366)
Repayment of/new finance leases	(20,382)	110,385
Dividends paid	(325,000)	(650,000)
Interest paid	(416,508)	(405,810)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>234,800</b>	<b>(999,787)</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>505,701</b>	<b>(519,021)</b>
Cash and cash equivalents at beginning of year	473,531	992,552
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>979,232</b>	<b>473,531</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:</b>		
Cash at bank and in hand	979,232	473,531
	<b>979,232</b>	<b>473,531</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**1. GENERAL INFORMATION**

Cannon Care Homes Limited is a private company, limited by shares and registered in the UK. The registered number is 05317825, the address of the registered office is 50 The Terrace, Torquay, Devon, TQ1 1DD. The principal activity of the company for the year continued to be that of a holding company.

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

**2.2 BASIS OF CONSOLIDATION**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2015.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**2. ACCOUNTING POLICIES (continued)**

**2.3 GOING CONCERN**

The company achieved a profit after tax of £1,062,028 during the year ended 31 March 2018, and at that date the company had net assets of £1,132,491.

The group achieved a profit after tax of £312,932 (2017: £1,038,730) for the year to 31 March 2018. As at 31 March 2018 the group had net current assets of £1,312,740 (2017: £155,645), total assets exceeded total liabilities by £6,934,231 (2017: £4,879,652).

In January 2018 the group refinanced with Triodos Bank NV. There is a cross guarantee agreement between all members of the Cannon Care Homes group for the amount of bank loan of £15,270,000. In addition the group will be able to draw a further £1,400,000 to complete the development project at Thornfield Care Home.

Financial projections have been prepared which show strong trading performance for the Group. Included in the projections is a Group cash flow forecast, which includes the full draw down of the £1,400,000 funding for the extension of Thornfield. These forecasts demonstrate that the Group can meet its obligations as they fall due over the next 12 months.

On the basis of the continued support of the director and the bank, the company is considered to be a going concern for the foreseeable future, and therefore the accounts have been prepared on the going concern basis.

**2.4 REVENUE**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.5 OPERATING LEASES: THE GROUP AS LESSEE**

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**2. ACCOUNTING POLICIES (continued)**

**2.6 INTEREST INCOME**

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

**2.7 FINANCE COSTS**

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.8 BORROWING COSTS**

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

**2.9 PENSIONS**

**DEFINED CONTRIBUTION PENSION PLAN**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**2. ACCOUNTING POLICIES (continued)**

**2.10 CURRENT AND DEFERRED TAXATION**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.11 TANGIBLE FIXED ASSETS**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is not provided on freehold buildings as the director is of the opinion that the residual values of such properties are not less than cost or valuation, and therefore any depreciation would be immaterial.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	- 25% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance
Office equipment	- 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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**2. ACCOUNTING POLICIES (continued)**

**2.12 REVALUATION OF TANGIBLE FIXED ASSETS**

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

**2.13 VALUATION OF INVESTMENTS**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**2.14 STOCKS**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.15 DEBTORS**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.16 CASH AND CASH EQUIVALENTS**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**2. ACCOUNTING POLICIES (continued)**

**2.17 CREDITORS**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.18 PROVISIONS FOR LIABILITIES**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

**2.19 FINANCIAL INSTRUMENTS**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

**2.20 DIVIDENDS**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates. The following judgments have had the most significant effect on amounts recognised in the financial statements.

#### Classification of leases:

The Company obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease required the Company to determine, based on an evaluation of the terms and conditions of the arrangements; whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

#### Valuation of properties:

The Group carries its freehold property at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent valuations specialists to determine fair value at 4 October 2017. The valuer used the profits method of valuation as they consider the market norm is to assess this type of asset for sale purposes by reference to its trading characteristics and profitability.

### 4. TURNOVER

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Turnover	7,970,566	7,192,176
	<u>7,970,566</u>	<u>7,192,176</u>

All turnover arose within the United Kingdom.

### 5. OPERATING PROFIT

The operating profit is stated after charging:

	2018 £	2017 £
Other operating lease rentals	10,224	10,346
	<u>10,224</u>	<u>10,346</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**6. AUDITORS' REMUNERATION**

	2018 £	2017 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>12,000</u>	<u>12,000</u>
<b>FEEs PAYABLE TO THE GROUP'S AUDITOR AND ITS ASSOCIATES IN RESPECT OF:</b>		
All other services	<u>124,372</u>	<u>59,954</u>
	<u><b>124,372</b></u>	<u><b>59,954</b></u>

**7. EMPLOYEES**

Staff costs, including director's remuneration, were as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Wages and salaries	4,276,244	3,801,176	150,489	313,844
Social security costs	245,842	226,566	-	33,326
Cost of defined contribution scheme	23,095	19,724	-	-
	<u><b>4,545,181</b></u>	<u><b>4,047,466</b></u>	<u><b>150,489</b></u>	<u><b>347,170</b></u>

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

	2018 No.	2017 No.
Director	1	1
Employees	249	227
	<u><b>250</b></u>	<u><b>228</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**
**8. DIRECTOR'S REMUNERATION**

	2018 £	2017 £
Director's emoluments	267,458	162,542
	<u>267,458</u>	<u>162,542</u>

The highest paid director received remuneration of £267,458 (2017: £162,542).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2017: £NIL).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £NIL (2017: £NIL).

The total accrued pension provision of the highest paid director at 31 March 2018 amounted to £NIL (2017: £NIL).

The amount of the accrued lump sum in respect of the highest paid director at 31 March 2018 amounted to £NIL (2017: £NIL).

**9. INTEREST RECEIVABLE**

	2018 £	2017 £
Other interest receivable	34,420	25,898
	<u>34,420</u>	<u>25,898</u>

**10. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2018 £	2017 £
Bank interest payable	416,131	352,554
Other loan interest payable	154	51,808
Finance leases and hire purchase contracts	20,349	37,136
Other interest payable	223	1,447
	<u>436,857</u>	<u>442,945</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**
**11. TAXATION**

	2018 £	2017 £
<b>CORPORATION TAX</b>		
Current tax on profits for the year	174,847	193,478
Adjustments in respect of previous periods	(319)	(106)
	<u>174,528</u>	<u>193,372</u>
<b>TOTAL CURRENT TAX</b>	<u>174,528</u>	<u>193,372</u>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	304,881	(206,708)
<b>TOTAL DEFERRED TAX</b>	<u>304,881</u>	<u>(206,708)</u>
<b>TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES</b>	<u>479,409</u>	<u>(13,336)</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>792,341</u>	<u>1,025,392</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 20%)	150,545	205,078
<b>EFFECTS OF:</b>		
Fixed asset timing differences	4,680	-
Expenses not deductible for tax purposes	18,589	6,598
Adjustments to tax charge in respect of prior periods	(321)	(54,356)
Capital gains	342,085	(46,898)
Effect of change in tax rates on deferred tax balances	(36,169)	(123,758)
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<u>479,409</u>	<u>(13,336)</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

At the balance sheet date legislation has been substantially enacted which reduced the main rate of corporation tax from 20% to 19% from, 1 April 2017 and to 17% from 1 April 2020. This reduction has been reflected in the calculation of the companies deferred tax assets and liabilities.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**12. DIVIDENDS**

			2018 £	2017 £
Dividends paid	325,000	650,000	325,000	650,000
			<u>325,000</u>	<u>650,000</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

## 13. TANGIBLE FIXED ASSETS

## Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>COST OR VALUATION</b>						
At 1 April 2017	19,958,298	121,605	204,919	1,474,151	22,545	21,781,518
Additions	60,635	1,229	112,379	50,207	259	224,709
Disposals	-	-	(71,893)	-	-	(71,893)
Revaluations	2,066,647	-	-	-	-	2,066,647
At 31 March 2018	22,085,580	122,834	245,405	1,524,358	22,804	24,000,981
<b>DEPRECIATION</b>						
At 1 April 2017	-	68,018	67,347	865,812	19,203	1,020,380
Charge for the year on owned assets	-	11,062	1,087	142,557	901	155,607
Charge for the year on financed assets	-	-	47,922	16,098	-	64,020
Disposals	-	-	(17,974)	-	-	(17,974)
At 31 March 2018	-	79,080	98,382	1,024,467	20,104	1,222,033
<b>NET BOOK VALUE</b>						
At 31 March 2018	22,085,580	43,754	147,023	499,891	2,700	22,778,948
At 31 March 2017	19,958,298	53,587	137,572	608,339	3,342	20,761,138

The net book value of land and buildings may be further analysed as follows:

	2018 £	2017 £
Freehold	22,085,579	19,958,296
	<u>22,085,579</u>	<u>19,958,296</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**
**13. TANGIBLE FIXED ASSETS (CONTINUED)**

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Motor vehicles	143,764	129,449
Furniture, fittings and equipment	57,941	74,039
	<u>201,705</u>	<u>203,488</u>

Cost or valuation at 31 March 2018 is as follows:

	Land and buildings £
<b>AT COST</b>	<b>9,191,456</b>
<b>AT VALUATION:</b>	
Revaluations on 4 October 2017 on an open market existing use basis	<b>12,894,123</b>
	<u><b>22,085,579</b></u>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2018 £	2017 £
<b>GROUP</b>		
Cost	6,726,537	6,726,537
<b>NET BOOK VALUE</b>	<u><b>6,726,537</b></u>	<u><b>6,726,537</b></u>

**CANNON CARE HOMES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**13. TANGIBLE FIXED ASSETS (CONTINUED)**

**Company**

	<b>Office equipment £</b>
<b>COST OR VALUATION</b>	
At 1 April 2017	16,674
At 31 March 2018	<u>16,674</u>
<b>DEPRECIATION</b>	
At 1 April 2017	14,959
Charge for the year on owned assets	429
At 31 March 2018	<u>15,388</u>
<b>NET BOOK VALUE</b>	
At 31 March 2018	<u>1,286</u>
At 31 March 2017	<u>1,715</u>

**14. FIXED ASSET INVESTMENTS**

**Company**

	<b>Investments in subsidiary companies £</b>
<b>COST OR VALUATION</b>	
At 1 April 2017	3,911,453
At 31 March 2018	<u>3,911,453</u>
<b>NET BOOK VALUE</b>	

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**14. FIXED ASSET INVESTMENTS (CONTINUED)**

At 31 March 2018	<b>3,911,453</b>
At 31 March 2017	<b>3,911,453</b>

**15. STOCKS**

	Group 2018 £	Group 2017 £
Finished goods and goods for resale	<b>7,370</b>	6,250
	<b>7,370</b>	6,250

**16. DEBTORS**

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	<b>81,554</b>	161,019	-	-
Amounts owed by group undertakings	-	-	<b>9,886,966</b>	9,381,786
Other debtors	<b>2,287,720</b>	1,396,331	<b>2,283,550</b>	1,388,806
Prepayments and accrued income	<b>37,456</b>	26,572	-	-
	<b>2,406,730</b>	1,583,922	<b>12,170,516</b>	10,770,592

**17. CASH AND CASH EQUIVALENTS**

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	<b>979,232</b>	473,531	<b>845,020</b>	338,253
	<b>979,232</b>	473,531	<b>845,020</b>	338,253



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
598,521 Bank loans	598,521	449,420	598,521	449,420
Trade creditors	108,978	73,469	-	-
Amounts owed to group undertakings	297,107	297,107	297,107	297,107
Corporation tax	319,983	310,147	179,493	43,076
Other taxation and social security	96,540	84,838	5,540	27,532
Obligations under finance lease and hire purchase contracts	71,465	59,703	-	-
Other creditors	253,680	255,590	9,825	-
Accruals and deferred income	334,318	377,786	131,931	83,544
	<b>2,080,592</b>	<b>1,908,060</b>	<b>1,222,417</b>	<b>900,679</b>

**19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Bank loans	14,573,170	13,725,580	14,573,169	13,725,580
Net obligations under finance leases and hire purchase contracts	126,696	158,840	-	-
	<b>14,699,866</b>	<b>13,884,420</b>	<b>14,573,169</b>	<b>13,725,580</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**
**20. LOANS**

Loans are secured against the assets of the group.

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
<b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>				
Bank loans	598,521	449,420	598,521	449,420
	<u>598,521</u>	<u>449,420</u>	<u>598,521</u>	<u>449,420</u>
<b>AMOUNTS FALLING DUE 2-5 YEARS</b>				
Bank loans	2,549,351	2,581,075	2,549,351	2,581,075
	<u>2,549,351</u>	<u>2,581,075</u>	<u>2,549,351</u>	<u>2,581,075</u>
<b>AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS</b>				
Bank loans	12,023,818	11,144,505	12,023,818	11,144,505
	<u>15,171,690</u>	<u>14,175,000</u>	<u>15,171,690</u>	<u>14,175,000</u>

**21. HIRE PURCHASE AND FINANCE LEASES**

Minimum lease payments under hire purchase fall due as follows:

	Group 2018 £	Group 2017 £
Within one year	83,767	78,756
Between 1-5 years	136,561	178,141
	<u>220,328</u>	<u>256,897</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**
**22. FINANCIAL INSTRUMENTS**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
<b>FINANCIAL ASSETS</b>				
Financial assets measured at fair value through profit or loss	<b>979,232</b>	473,531	<b>845,020</b>	338,253
Financial assets that are debt instruments measured at amortised cost	<b>2,369,273</b>	1,557,351	<b>12,170,515</b>	10,770,592
	<b><u>3,348,505</u></b>	<u>2,030,882</u>	<b><u>13,015,535</u></b>	<u>11,108,845</u>
<b>FINANCIAL LIABILITIES</b>				
Financial liabilities measured at amortised cost	<b>(15,979,478)</b>	(14,987,569)	<b>(15,610,335)</b>	(14,555,651)

Financial assets measured at fair value through profit or loss comprise cash at bank.

Financial assets measured at amortised cost comprise trade debtors, other debtors and intercompany balances.

Financial liabilities measured at amortised cost comprise trade and other creditors and bank loans.

**23. DEFERRED TAXATION****Group**

	<b>2018 £</b>
At beginning of year	(2,152,711)
Charged to profit or loss	(304,881)
<b>AT END OF YEAR</b>	<b><u>(2,457,592)</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**23. DEFERRED TAXATION (CONTINUED)****Company**

	<b>2018 £</b>
At beginning of year	<b>(292)</b>
Charged to profit or loss	<b>94</b>
<b>AT END OF YEAR</b>	<b>(198)</b>

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Accelerated capital allowances	<b>(145,877)</b>	(145,971)	<b>(198)</b>	(292)
Capital gains	<b>(2,311,714)</b>	(2,006,739)	-	-
	<b>(2,457,591)</b>	(2,152,710)	<b>(198)</b>	(292)

**24. SHARE CAPITAL**

	<b>2018 £</b>	<b>2017 £</b>
<b>ALLOTTED, CALLED UP AND PARTLY PAID</b>		
1 (2017: 1) Ordinary share of £1.00	<b>1</b>	1

**25. RESERVES****Profit and loss account**

The company profit and loss reserve is represented by £395,462 relating to distributable profits. The Group profit and loss reserve is represented by £2,727,051 relating to distributable profits and £2,152,598 relating to previous revaluation of tangible fixed assets.

**26. PENSION COMMITMENTS**

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension contributions payable by the Group to the fund amounted to £17,023. Contributions totalling £2,913 were payable to the fund at the reporting date

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**
**27. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2018 £</b>	<b>Group 2017 £</b>
Not later than 1 year	<b>11,023</b>	13,054
Later than 1 year and not later than 5 years	<b>4,331</b>	15,333
	<b><u>15,354</u></b>	<b><u>28,387</u></b>

**28. TRANSACTIONS WITH DIRECTORS**

At the year end, Mr R Cannon owed £1,906,350 (2017 £1,117,417) to the company via his director's loan account. Interest is charged on this balance at 2.5% and there is no fixed date for repayment.

**29. RELATED PARTY TRANSACTIONS**

During the year Cannon Care Homes Limited paid £325,000 (2017: £650,000) in dividends to Mr R Cannon, the director of the company.

Newton Drinks Limited, a company under common control, had net transactions during the year of £44,802. A provision has been made against the balance and therefore included in debtors at the year end is £nil (2017: £40,439).

The consolidated financial statements of Cannon Care Homes Limited have taken advantage of the exemption in Financial Reporting Standard 102 Section 33 "Related party disclosures" in not disclosing intra group transactions where 100% of the voting rights are controlled within the group.

**30. CONTROLLING PARTY**

The company is under the control of Mr R Cannon.

**CANNON CARE HOMES LIMITED**

**COMPANY DETAILED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
<b>GROSS PROFIT</b>		-	-
<b>Gross profit %</b>		0.0 %	0.0 %
Other operating income		1,448,000	517,000
<b>LESS: OVERHEADS</b>			
Administration expenses		(967,462)	(377,508)
<b>OPERATING PROFIT</b>		480,538	139,492
Interest receivable		34,121	25,771
Interest payable		(416,315)	(28,650)
Investment income		1,000,000	-
Tax on profit on ordinary activities		(36,316)	27,268
<b>PROFIT FOR THE YEAR</b>		1,062,028	163,881

**CANNON CARE HOMES LIMITED**

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2018**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Other operating income	<b>1,448,000</b>	517,000
	<b>1,448,000</b>	517,000
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Directors national insurance	-	33,326
Staff salaries	<b>90,941</b>	151,302
Legal and professional	<b>35,993</b>	49,524
Auditors' remuneration - non-audit	<b>124,372</b>	59,954
Bank charges	<b>2,939</b>	4,449
Bad debts	<b>85,241</b>	-
Repairs and maintenance	-	5,226
Depreciation - office equipment	<b>429</b>	571
Refinance fees	<b>627,547</b>	73,156
	<b>967,462</b>	377,508
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Other interest receivable	<b>34,121</b>	25,771
	<b>34,121</b>	25,771
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Bank loan interest payable	<b>416,131</b>	28,468
Other loan interest payable	<b>154</b>	-
Other interest - on overdue tax	<b>30</b>	182
	<b>416,315</b>	28,650
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Income from investments in group companies	<b>1,000,000</b>	-
	<b>1,000,000</b>	-