



Opal Care Homes Limited

Unaudited Financial Statements

Year Ended

31 March 2017

Company Number 07555989

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Opal Care Homes Limited

Company Information

Directors	A K Stein K J Groombridge
Registered number	07555989
Registered office	Drakes Court 302 Alcester Road Wythall Birmingham B47 6JR
Accountant	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD

Opal Care Homes Limited

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Opal Care Homes Limited

Chartered Accountant's Report to the board of directors on the preparation of the unaudited financial statements of Opal Care Homes Limited for the year ended 31 March 2017

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Opal Care Homes Limited for the year ended 31 March 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practicing member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the board of directors of Opal Care Homes Limited, as a body, in accordance with the terms of our engagement letter dated 7 January 2016. Our work has been undertaken solely to prepare for your approval the accounts of Opal Care Homes Limited and state those matters that we have agreed to state to the board of directors of Opal Care Homes Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Opal Care Homes Limited and its board of directors as a body for our work or for this report.

It is your duty to ensure that Opal Care Homes Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Opal Care Homes Limited. You consider that Opal Care Homes Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Opal Care Homes Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.



21/12/17

BDO LLP
Chartered Accountants
Edinburgh
United Kingdom

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Opal Care Homes Limited

Registered number: 07555989

Statement of financial position As at 31 March 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	5		89,889		95,448
Current assets					
Debtors: amounts falling due within one year	6	179,151		224,171	
Cash at bank and in hand		654,417		347,455	
		<u>833,568</u>		<u>571,626</u>	
Creditors: amounts falling due within one year	7	(703,947)		(529,474)	
Net current assets			<u>129,621</u>		<u>42,152</u>
Total assets less current liabilities			<u>219,510</u>		<u>137,600</u>
Provisions for liabilities					
Deferred tax	8		(1,495)		(878)
Net assets			<u><u>218,015</u></u>		<u><u>136,722</u></u>
Capital and reserves					
Called up share capital	9		100		100
Profit and loss account	10		217,915		136,622
Total equity			<u><u>218,015</u></u>		<u><u>136,722</u></u>

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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


K J Groombridge
Director

21/12/17

Opal Care Homes Limited

Registered number: 07555989

Statement of financial position (continued) As at 31 March 2017

The notes on pages 4 to 10 form part of these financial statements.

Statement of changes in equity For the year ended 31 March 2017

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2015	100	109,100	109,200
Comprehensive income for the year			
Profit for the year	-	27,522	27,522
At 1 April 2016	100	136,622	136,722
Comprehensive income for the year			
Profit for the year	-	81,293	81,293
At 31 March 2017	100	217,915	218,015

Opal Care Homes Limited

Notes to the financial statements For the year ended 31 March 2017

1. General information

Opal Care Homes Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of Section 1A of FRS 102 is given in note 13. The date of transition to Section 1A of FRS 102 was 1 April 2015.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'sterling', which is the company's functional and presentation currency.

The following principal accounting policies have been applied:

2.2 Turnover

Turnover comprises revenue recognised by the company in respect of residents' fees in the period on an accruals basis.

2.3 Tangible fixed asset

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 charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

S/Term leasehold property	- depreciated over 35 years
Plant and machinery	- 20% straight line
Fixtures and fittings	- 20% straight line

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 statement of comprehensive income.

Opal Care Homes Limited

Notes to the financial statements For the year ended 31 March 2017

2. Accounting policies (continued)

2.4 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.

2.5 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.

2.6 Financial instruments

The company only enters into basic financial instruments 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 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 statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Opal Care Homes Limited

Notes to the financial statements For the year ended 31 March 2017

2. Accounting policies (continued)

2.7 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.

2.8 Finance costs

Finance costs are charged to the 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.

2.9 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the 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 company 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 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the 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 operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

Opal Care Homes Limited

Notes to the financial statements For the year ended 31 March 2017

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- **Tangible fixed assets (see note 5)**
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Employees

The average monthly number of employees, including directors, during the year was 61 (2016 -61).

Opal Care Homes Limited

Notes to the financial statements For the year ended 31 March 2017

5. Tangible fixed assets

	S/Term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2016	87,853	3,068	12,178	103,099
At 31 March 2017	87,853	3,068	12,178	103,099
Depreciation				
At 1 April 2016	4,250	358	3,043	7,651
Charge for the year	2,510	614	2,435	5,559
At 31 March 2017	6,760	972	5,478	13,210
Net book value				
At 31 March 2017	81,093	2,096	6,700	89,889
At 31 March 2016	83,603	2,710	9,135	95,448

6. Debtors

	2017 £	2016 £
Trade debtors	73,944	106,570
Amounts owed by related parties	220	-
Other debtors	104,987	117,601
	179,151	224,171

Opal Care Homes Limited

Notes to the financial statements For the year ended 31 March 2017

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	96,519	40,612
Amounts owed to related parties	-	5,900
Corporation tax	32,998	35,719
Other taxation and social security	35,658	27,133
Other creditors	538,772	420,110
	<u>703,947</u>	<u>529,474</u>

8. Deferred taxation

	2017 £	2016 £
At beginning of year	(878)	1,203
Charged to profit or loss	(617)	(2,081)
At end of year	<u>(1,495)</u>	<u>(878)</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(1,495)	(878)
	<u>(1,495)</u>	<u>(878)</u>

9. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

Opal Care Homes Limited

Notes to the financial statements For the year ended 31 March 2017

10. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

11. Related party transactions

Included within amounts owed by related parties is an amount totalling £220 (2016 - £5,900 other creditors) due from Healthcare Management Solutions Limited, a company related through common directorship. Management fees totaling £75,927 (2016 - £78,113) were charged in the year to Opal Care Homes Limited from Healthcare Management Solutions Limited.

12. Controlling party

The controlling party of the company is A.K.Stein, a director of the company.

13. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.