

Opal Care Homes Limited

Unaudited Financial Statements

Year Ended

31 March 2020

Company Number 07555989



Opal Care Homes Limited

Company Information

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

Opal Care Homes Limited

Contents

	Page
Accountants' report	1
Statement of financial position	2 - 3
Notes to the financial statements	4 - 11

Opal Care Homes Limited

Chartered accountants' report to the board of directors on the preparation of the unaudited statutory financial statements of Opal Care Homes Limited for the year ended 31 March 2020

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 2020 which comprise the statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising 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 <https://www.icaew.com/regulation>.

It is your duty to ensure that Opal Care Homes Limited has kept adequate accounting records and to prepare statutory financial statements 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 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 financial statements.

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 4 November 2020. Our work has been undertaken solely to prepare for your approval the financial statements 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.



BDO LLP

Chartered Accountants

Edinburgh

United Kingdom

Date: 29 March 2021

BDO 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 2020**

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	6		109,420		121,035
			<u>109,420</u>		<u>121,035</u>
Current assets					
Debtors: amounts falling due within one year	7	255,067		468,914	
Cash at bank and in hand	8	127,077		181,821	
		<u>382,144</u>		<u>650,735</u>	
Creditors: amounts falling due within one year	9	(524,632)		(534,691)	
Net current (liabilities)/assets			<u>(142,488)</u>		<u>116,044</u>
Total assets less current liabilities			<u>(33,068)</u>		<u>237,079</u>
Net (liabilities)/assets			<u>(33,068)</u>		<u>237,079</u>
Capital and reserves					
Called up share capital	11		100		100
Profit and loss account	12		(33,168)		236,979
			<u>(33,068)</u>		<u>237,079</u>

Opal Care Homes Limited
Registered number: 07555989

Statement of financial position (continued)
as at 31 March 2020

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 the 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


A K Stein
Director

The notes on pages 4 to 11 form part of these financial statements.

Opal Care Homes Limited

Notes to the financial statements for the year ended 31 March 2020

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 activity is 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.

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 Going concern

During the year the company made a loss of £270,147 (2019 - £47,046 profit), has net current liabilities of £142,488 (2019 - £116,044 net current assets) and has net liabilities of £33,068 (2019 - £237,079 net assets). The directors of the company are currently assessing the impact of COVID-19. The situation is evolving rapidly and it is not possible at this stage to determine with any certainty the impact on the company, its customers, employees and suppliers. The directors are continually reviewing their plans and forecasts and they believe that the going concern basis is appropriate in the short term, however depending on the severity and length of the crisis there is a risk that the company could require further funding or support. On this basis there is considered to be a material uncertainty which may cast significant doubt over the company's ability to continue as a going concern.

2.3 Turnover

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

2.4 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss 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.

Opal Care Homes Limited

Notes to the financial statements for the year ended 31 March 2020

2. Accounting policies (continued)

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 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; 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.

2.6 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 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:

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 profit or loss.

2.7 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.

Opal Care Homes Limited

Notes to the financial statements for the year ended 31 March 2020

2. Accounting policies (continued)

2.8 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.

2.9 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.

2.10 Financial instruments

The company 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 in one year), including loans and other accounts receivable and payable, are initially measured at present value of future cash flows and subsequently at amortised cost using 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 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 cost and amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cashflows 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.

Opal Care Homes Limited

Notes to the financial statements for the year ended 31 March 2020

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 lease 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 and intangible assets, including goodwill. 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 8)

Tangible fixed assets, other than investments properties, 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. Turnover

All turnover arose within the United Kingdom.

5. Employees

The average monthly number of employees, including directors, during the year was 54 (2019 - 65).

Opal Care Homes Limited

Notes to the financial statements for the year ended 31 March 2020

6. Tangible fixed assets

	S/Term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 April 2019	87,853	10,616	54,048	152,517
Additions	-	-	4,534	4,534
At 31 March 2020	87,853	10,616	58,582	157,051
Depreciation				
At 1 April 2019	11,780	2,753	16,949	31,482
Charge for the year on owned assets	2,510	2,123	11,516	16,149
At 31 March 2020	14,290	4,876	28,465	47,631
Net book value				
At 31 March 2020	73,563	5,740	30,117	109,420
At 31 March 2019	76,073	7,863	37,099	121,035

Opal Care Homes Limited

Notes to the financial statements for the year ended 31 March 2020

7. Debtors

	2020 £	2019 £
Trade debtors	14,584	52,511
Amounts owed by related parties	134,147	286,710
Other debtors	1,241	24,139
Called up share capital not paid	100	100
Prepayments and accrued income	103,014	103,473
Deferred taxation	1,981	1,981
	<u>255,067</u>	<u>468,914</u>

The impairment loss recognised in the profit or loss for the year in respect of bad and doubtful trade debtors was £Nil (2019 - £31,112).

8. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>127,077</u>	<u>181,821</u>

9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	328,345	266,077
Corporation tax	-	12,772
Other taxation and social security	28,540	34,774
Other creditors	68,647	91,717
Accruals and deferred income	99,100	129,351
	<u>524,632</u>	<u>534,691</u>

Opal Care Homes Limited

Notes to the financial statements for the year ended 31 March 2020

10. Deferred taxation

	2020 £
At beginning of year	1,981
Charged to profit or loss	-
At end of year	1,981

The deferred tax asset is made up as follows:

	2020 £	2019 £
Fixed asset timing differences	(1,643)	(1,643)
Short term timing differences	338	338
	1,981	1,981

11. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100 (2019 - 100) Ordinary shares of £1 each	100	100

12. 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.

Opal Care Homes Limited

Notes to the financial statements for the year ended 31 March 2020

13. Related party transactions

Included within amounts owed by related parties is an amount totaling £134,147 (2019 - £66,910) due from Healthcare Management Solutions Limited, a company related through common directorship. Management fees totaling £73,440 (2019 - £58,440) were charged in the year to Opal Care Homes Limited from Healthcare Management Solutions Limited.

Included within trade creditors is a balance of £151,681 (2019 - £Nil) due to Healthcare Management Solutions Limited, a company related through common directorship.

14. Controlling party

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