

Registered number
08384847

Eastern Healthcare Limited
Report and Financial Statements
31 March 2017

Eastern Healthcare Limited
Report and accounts
Contents

	Page
Company information	1
Directors' report	2
Strategic report	3
Independent auditor's report	4
Income statement	6
Statement of financial position	7
Statement of cash flows	8
Notes to the financial statements	9

Eastern Healthcare Limited

Company Information

Directors

Mr J Chong

Dr P D J Premachandra

Mrs N Chong

Mrs W Premachandra

Auditors

Lovewell Blake LLP

Excelsior House

9 Quay View Business Park, Barnards Way

Lowestoft

Suffolk

NR32 2HD

Bankers

Natwest

Norwich City Office

45 London Street

Norwich

Norfolk

NR2 1HX

Registered office

46 Rodber Way

Lowestoft

Suffolk

NR32 4WJ

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Eastern Healthcare Limited

Registered number:

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Directors' Report

The directors present their report and financial statements for the year ended 31 March 2017.

Principal activities

The company's principal activity during the year was that of providing residential care to older people and those suffering from mental health issues.

Directors

The following persons served as directors during the year:

Mr J Chong
Dr P D J Premachandra
Mrs N Chong
Mrs W Premachandra

Directors' responsibilities

The directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 5 October 2017 and signed on its behalf.

Dr P D J Premachandra
Director

Eastern Healthcare Limited

Strategic Report

In the following paragraphs we aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. The company operates four care homes in Norfolk and Suffolk providing 24 hour care and support for people suffering from dementia and other mental health conditions.

During the financial year the company has continued to improve and invest in its care homes, we have increased the number of private residents and have invested significant funds to improve the plumbing, heating and electrical systems in the homes. At Brundall Care Home we have completely refurbished the home and are now in the process of increasing occupancy.

The Key Performance Indicator's (KPI's) for the Company are occupancy rates and turnover and we continue to perform well against both of these.

The population in the UK is ageing therefore this provides a good foundation for the business to continue to grow and meet our KPI targets, however our main objective is to provide a high level of person centred care and help to the people in our care homes.

The main risks to the business going forward are from the regulatory authorities, limited fee growth from local authorities and from cost increases mainly due to the introduction of the living wage which has pushed up wage costs and will continue to do so in the foreseeable future.

In order to combat these risks as a company we ensure that we have robust governance measures in place and invest in good quality staff. To mitigate the risk of increasing costs and low fee growth from local authority our strategy will continue to be to invest in the each of the homes and maintain them to an excellent standard in order to attract privately funded clientele.

This report was approved by the board on 5 October 2017 and signed on its behalf.

Dr P D J Premachandra
Director

Eastern Healthcare Limited

Independent auditor's report

to the members of Eastern Healthcare Limited

Opinion

We have audited the financial statements of Eastern Healthcare Limited for the year ended 31 March 2017 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

We have nothing to report in this regard.

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are 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 directors determine 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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. This description forms part of our auditor's report.

Mr P Briddon
(Senior Statutory Auditor)
for and on behalf of
Lovewell Blake LLP
Accountants and Statutory Auditors
15 November 2017

Excelsior House
9 Quay View Business Park, Barnards Way
Lowestoft
Suffolk
NR32 2HD

Eastern Healthcare Limited
Income Statement
for the year ended 31 March 2017

	Notes	2017 £	2016 £
Turnover	2	3,355,799	3,013,485
Cost of sales		(2,573,127)	(2,293,484)
Gross profit		<u>782,672</u>	<u>720,001</u>
Administrative expenses		(440,304)	(220,022)
Operating profit	3	<u>342,368</u>	<u>499,979</u>
Income from investments		-	617,190
Interest receivable		785	-
Interest payable	5	(107,970)	(115,229)
Profit on ordinary activities before taxation		<u>235,183</u>	<u>1,001,940</u>
Tax on profit on ordinary activities	6	(86,346)	(92,960)
Profit for the financial year and total comprehensive income		<u>148,837</u>	<u>908,980</u>

Eastern Healthcare Limited
Statement of Financial Position
as at 31 March 2017

	Notes	2017 £	2016 £
Fixed assets			
Intangible assets	7	1,918,752	2,159,995
Tangible assets	8	3,610,997	3,638,606
Investments	9	18,000	18,000
		<u>5,547,749</u>	<u>5,816,601</u>
Current assets			
Stocks	10	2,957	1,950
Debtors	11	59,155	83,783
Cash at bank and in hand		263,043	315,981
		<u>325,155</u>	<u>401,714</u>
Creditors: amounts falling due within one year	12	(662,298)	(884,673)
Net current liabilities		<u>(337,143)</u>	<u>(482,959)</u>
Total assets less current liabilities		<u>5,210,606</u>	<u>5,333,642</u>
Creditors: amounts falling due after more than one year	13	(3,770,610)	(4,015,068)
Provisions for liabilities			
Deferred taxation	16	(128,540)	(127,955)
Net assets		<u>1,311,456</u>	<u>1,190,619</u>
Capital and reserves			
Called up share capital	18	100	100
Profit and loss account	20	1,311,356	1,190,519
Total equity		<u>1,311,456</u>	<u>1,190,619</u>

Mr J Chong

Director

Approved by the board on 5 October 2017

Company Registration Number:
08384847

Eastern Healthcare Limited
Statement of Cash Flows
for the year ended 31 March 2017

	Notes	2017 £	2016 £
Operating activities			
Profit for the financial year		148,837	908,980
Adjustments for:			
Income from investments		-	(617,190)
Interest receivable		(785)	-
Interest payable		107,970	115,229
Tax on profit on ordinary activities		86,346	92,960
Depreciation		103,273	72,675
Amortisation of goodwill		241,243	119,936
Increase in stocks		(1,007)	(1,118)
Decrease in debtors		24,628	316,049
Decrease in creditors		(288,352)	(126,619)
		<u>422,153</u>	<u>880,902</u>
Dividends received		-	617,190
Interest received		785	-
Interest paid		(103,153)	(113,447)
Interest element of finance lease payments		(4,817)	(1,782)
Corporation tax paid		(104,029)	53,891
Cash generated by operating activities		<u>210,939</u>	<u>1,436,754</u>
Investing activities			
Payments to acquire intangible fixed assets		-	(1,617,431)
Payments to acquire tangible fixed assets		(75,664)	(1,010,357)
Proceeds from sale of investments		-	1,617,430
Cash used in investing activities		<u>(75,664)</u>	<u>(1,010,358)</u>
Financing activities			
Equity dividends paid		(28,000)	-
Repayment of loans		(186,988)	(134,147)
Capital element of finance lease payments		26,775	11,904
Cash used in financing activities		<u>(188,213)</u>	<u>(122,243)</u>
Net cash (used)/generated			
Cash generated by operating activities		210,939	1,436,754
Cash used in investing activities		(75,664)	(1,010,358)
Cash used in financing activities		(188,213)	(122,243)

Net cash (used)/generated	(52,938)	304,153
Cash and cash equivalents at 1 April	<u>315,981</u>	<u>11,828</u>
Cash and cash equivalents at 31 March	<u>263,043</u>	<u>315,981</u>
Cash and cash equivalents comprise:		
Cash at bank	<u>263,043</u>	<u>315,981</u>

Eastern Healthcare Limited
Notes to the Accounts
for the year ended 31 March 2017

1 Summary of significant accounting policies

Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 23.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold property

2% straight line

Fixtures, fittings and equipment	15% straight line
Motor Vehicles	25% straight line
Office equipment	25% straight line
Goodwill	10% straight line

Investments

Investments in subsidiaries, associates and joint ventures are measured at cost less any accumulated impairment losses.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method.

The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price).

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments.

Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life.

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

Financial Instruments

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Such assets are subsequently carried at amortised cost using the effective interest method. Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

2 Analysis of turnover	2017	2016
	£	£
Sale of goods	3,275,027	2,988,552
Services rendered	80,772	24,933
	<u>3,355,799</u>	<u>3,013,485</u>

By geographical market:

UK	3,355,799	3,013,485
3 Operating profit	2017	2016
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	92,248	70,903
Depreciation of assets held under finance leases and hire purchase contracts	11,025	1,772
Amortisation of goodwill	241,243	119,936
Auditors' remuneration for audit services	5,400	5,400
4 Staff costs	2017	2016
	£	£
Wages and salaries	1,809,584	1,469,963
Social security costs	73,294	59,650
	<u>1,882,878</u>	<u>1,529,613</u>
Average number of employees during the year	Number	Number
Administration	2	2
Development	163	159
	<u>165</u>	<u>161</u>
5 Interest payable	2017	2016
	£	£
Bank loans and overdrafts	98,946	107,114
Other loans	4,157	6,283
Finance charges payable under finance leases and hire purchase contracts	4,817	1,782
Dividends on shares classified as financial instruments	50	50
	<u>107,970</u>	<u>115,229</u>
6 Taxation	2017	2016
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	85,761	53,823
Deferred tax:		
Origination and reversal of timing differences	585	39,137

Tax on profit on ordinary activities	86,346	92,960
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Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2017	2016
	£	£
Profit on ordinary activities before tax	235,183	1,001,940
Standard rate of corporation tax in the UK	20%	20%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	47,037	200,388
Effects of:		
Expenses not deductible for tax purposes	(154,785)	(119,227)
Capital allowances for period in excess of depreciation	193,509	(4,561)
Utilisation of tax losses	-	(22,777)
Deferred tax	585	39,137
Current tax charge for period	86,346	92,960

7 Intangible fixed assets

£

Goodwill:

Cost

At 1 April 2016	2,412,431
At 31 March 2017	2,412,431

Amortisation

At 1 April 2016	252,436
Provided during the year	241,243
At 31 March 2017	493,679

Carrying amount

At 31 March 2017	1,918,752
At 31 March 2016	2,159,995

Goodwill is being written off in equal annual instalments over its estimated economic life of 10 years.

8 Tangible fixed assets

Land and buildings	Plant and machinery	Office Equipment	Total
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	<i>At cost</i> £	<i>At cost</i> £	<i>At cost</i> £	£
Cost or valuation				
At 1 April 2016	3,580,336	179,404	5,576	3,765,316
Additions	-	72,970	2,694	75,664
At 31 March 2017	<u>3,580,336</u>	<u>252,374</u>	<u>8,270</u>	<u>3,840,980</u>
Depreciation				
At 1 April 2016	96,666	29,082	962	126,710
Charge for the year	65,607	35,941	1,725	103,273
At 31 March 2017	<u>162,273</u>	<u>65,023</u>	<u>2,687</u>	<u>229,983</u>
Carrying amount				
At 31 March 2017	<u>3,418,063</u>	<u>187,351</u>	<u>5,583</u>	<u>3,610,997</u>
At 31 March 2016	<u>3,483,670</u>	<u>150,322</u>	<u>4,614</u>	<u>3,638,606</u>

	2017 £	2016 £
Carrying value of plant and machinery included above held under finance leases and hire purchase contracts	<u>86,211</u>	<u>51,877</u>

9 Investments

	Investments in subsidiary undertakings £
Cost	
At 1 April 2016	18,000
At 31 March 2017	<u>18,000</u>

St Edmunds Limited is a wholly owned subsidiary company, incorporated in England. The company has not traded in the financial year and remains dormant.

	2017 £	2016 £
Aggregate capital and reserves	18,000	18,000
Profit and (loss) for the year	-	-

10 Stocks	2017 £	2016 £
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Finished goods and goods for resale	2,957	1,950
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11 Debtors	2017	2016
	£	£

Trade debtors	31,575	58,103
Other debtors	5,326	-
Prepayments and accrued income	22,254	25,680
	<u>59,155</u>	<u>83,783</u>

12 Creditors: amounts falling due within one year	2017	2016
	£	£

Bank loans	167,460	161,653
Obligations under finance lease and hire purchase contracts	17,205	11,266
Trade creditors	69,137	60,432
Corporation tax	85,761	104,029
Other taxes and social security costs	16,728	17,386
Other creditors	214,130	429,826
Accruals and deferred income	91,877	100,081
	<u>662,298</u>	<u>884,673</u>

13 Creditors: amounts falling due after one year	2017	2016
	£	£

Shares classified as financial liabilities	500,000	500,000
Bank loans	3,207,624	3,400,419
Obligations under finance lease and hire purchase contracts	45,054	24,218
Other creditors	17,932	90,431
	<u>3,770,610</u>	<u>4,015,068</u>

14 Loans	2017	2016
	£	£

Loans not wholly repayable within five years:		
Brundall, repayment terms 25 yrs, Interest rate 3.25%	855,315	893,144
Hollies, repayment terms 25 yrs, Interest rate 3.01%	620,853	666,861
St Edmunds, repayment terms 25 yrs, Interest rate 3.01%	1,269,821	1,325,983
Blyford, repayment terms 25 yrs, Interest rate 3.01%	629,095	676,084
	<u>3,375,084</u>	<u>3,562,072</u>

Analysis of maturity of debt:		
Within one year or on demand	167,460	161,653
Between one and two years	172,625	166,636
Between two and five years	550,479	531,374
After five years	2,484,520	2,702,409

3,375,084	3,562,072
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The bank loans are secured by a charge over the properties concerned.

15 Obligations under finance leases and hire purchase contracts	2017	2016
	£	£

Amounts payable:

Within one year	17,205	11,266
Within two to five years	45,054	24,218
	<u>62,259</u>	<u>35,484</u>

The Hire Purchase agreements are secured on the assets concerned.

16 Deferred taxation	2017	2016
	£	£

Accelerated capital allowances	<u>128,540</u>	<u>127,955</u>
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	2017	2016
	£	£
At 1 April	127,955	85,133
Charged to the profit and loss account	585	42,822
At 31 March	<u>128,540</u>	<u>127,955</u>

17 Financial Instruments

The carrying amount for each category of financial Instrument is as follows:

	2017	2016
	£	£
Financial assets		
Debt instruments measured at amortised cost	<u>36,901</u>	<u>58,103</u>
Financial liabilities		
Financial liabilities measured at amortised cost	420,018	689,536
Loan commitments measured at cost less impairment	<u>3,875,084</u>	<u>4,062,072</u>

18 Share capital	Nominal	2017	2017	2016
	value	Number	£	£

Allotted, called up and fully paid:

Ordinary shares	£1 each	100	100	100
Non-Equity Preference shares	£1 each	500,000	500,000	500,000
			<u>500,100</u>	<u>500,100</u>

	Nominal value	Number	Amount £
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Shares classed as financial liabilities:

Non-Equity Preference shares	£1 each	500,000	<u>500,000</u>
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The preference shares can be redeemed at any point by the shareholder, subject to company cash flow. The shareholders have no rights as to capital or voting, they are entitled to preferential rights to dividends equal to 0.0001% of the original subscription price payable on an annual basis.

19 Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

20 Profit and loss account	2017 £	2016 £
At 1 April	1,190,519	281,539
Profit for the financial year	148,837	908,980
Dividends	(28,000)	-
At 31 March	<u>1,311,356</u>	<u>1,190,519</u>

21 Dividends	2017 £	2016 £
Dividends on ordinary shares (note 20)	<u>28,000</u>	<u>-</u>

22 Loans to directors	B/fwd £	Paid £	Repaid £	C/fwd £
Mr J Chong [Loan 1]	41,463	7,000	(15,688)	32,775
Dr P D J Premachandra [Loan 1]	103,536	7,025	(93,362)	17,199
Mrs N Chong [Loan 1]	41,463	7,000	(15,688)	32,775
Mrs W Premachandra				

[Loan 1]	103,536	7,025	(93,362)	17,199
	<u>289,998</u>	<u>28,050</u>	<u>(218,100)</u>	<u>99,948</u>

23 Related party transactions

The company operates joint loan accounts with the directors, as at 31 March 2017 Mr & Mrs Chong and Mr & Mrs Premachandra were owed £65,550 (2016: £82,925) and £34,397 (2016: £207,072) respectively.

24 Legal form of entity and country of incorporation

Eastern Healthcare Limited is a private company limited by shares and incorporated in England.

25 Principal place of business

The address of the company's principal place of business and registered office is:

46 Rodber Way
Lowestoft
Suffolk
NR32 4WJ

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