

Company registration number: 08384847

Eastern Healthcare Limited

Financial statements

31 March 2018

Eastern Healthcare Limited

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Eastern Healthcare Limited

Directors and other information

Directors	Mr J Chong
	Dr P D J Premachandra
	Mrs N Chong
	Mrs W Premachandra
Company number	08384847
Registered office	46 Rodber Way
	Lowestoft
	Suffolk
	NR32 4WJ
Auditor	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

Eastern Healthcare Limited

Strategic report

Year ended 31 March 2018

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, particularly focussing on improving the ancillary services within the homes. We are continuing to improve the plumbing, heating and electrical systems in the homes. At Blyford we have increased the occupancy to 43 beds by adding 6 new en-suite rooms, this was achieved by re-configuring existing rooms and communal space and making the layout of each unit much better.

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 of directors on 21 December 2018 and signed on behalf of the board by:

Dr P D J Premachandra

Director

Eastern Healthcare Limited

Directors report

Year ended 31 March 2018

The directors present their report and the financial statements of the company for the year ended 31 March 2018.

Directors

The directors who served the company during the year were as follows:

Mr J Chong

Dr P D J Premachandra

Mrs N Chong

Mrs W Premachandra

Dividends

Particulars of recommended dividends are detailed in note to the financial statements.

Directors responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 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 judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 21 December 2018 and signed on behalf of the board by:

Dr P D J Premachandra

Director

Eastern Healthcare Limited

Independent auditor's report to the members of

Eastern Healthcare Limited

Year ended 31 March 2018

Opinion

We have audited the financial statements of Eastern Healthcare Limited for the year ended 31 March 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, 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 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 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. In our opinion the financial statements: - give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its 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 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 annual report, 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 has 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 where the Companies Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or - the financial statements are not in agreement with the accounting records and the 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.

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. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. we also: - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors. - Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern. - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mr P Briddon (Senior Statutory Auditor)

For and on behalf of

Lovewell Blake LLP

Excelsior House

9 Quay View Business Park Barnards Way

Lowestoft

Suffolk

NR32 2HD

21 December 2018

Eastern Healthcare Limited**Statement of comprehensive income****Year ended 31 March 2018**

	Note	2018 £	2017 £
Turnover	4	3,808,694	3,355,799
Cost of sales		(2,937,355)	(2,573,127)
Gross profit		<u>871,339</u>	<u>782,672</u>
Administrative expenses		(431,467)	(440,304)
Operating profit	5	<u>439,872</u>	<u>342,368</u>
Other interest receivable and similar income	7	867	785
Interest payable and similar expenses	8	(101,565)	(107,970)
Profit before taxation		<u>339,174</u>	<u>235,183</u>
Tax on profit	9	(99,039)	(86,346)
Profit for the financial year and total comprehensive income		<u>240,135</u>	<u>148,837</u>

All the activities of the company are from continuing operations.

Eastern Healthcare Limited

Statement of financial position

31 March 2018

	Note	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	10	1,677,509		1,918,752	
Tangible assets	11	3,759,989		3,610,997	
Investments	12	18,000		18,000	
		<u> </u>	5,455,498	<u> </u>	5,547,749
Current assets					
Stocks	13	2,811		2,957	
Debtors	14	135,710		59,155	
Cash at bank and in hand		374,475		263,043	
		<u> </u>		<u> </u>	
		512,996		325,155	
Creditors: amounts falling due within one year	15	(532,667)		(662,298)	
		<u> </u>		<u> </u>	
Net current liabilities			(19,671)		(337,143)
Total assets less current liabilities			<u>5,435,827</u>		<u>5,210,606</u>
Creditors: amounts falling due after more than one year	16	(3,806,115)		(3,770,610)	
Provisions for liabilities	18	(132,121)		(128,540)	
			<u> </u>		<u> </u>
Net assets			1,497,591		1,311,456
			<u> </u>		<u> </u>
Capital and reserves					
Called up share capital	23		100		100
Profit and loss account	24		1,497,491		1,311,356
			<u> </u>		<u> </u>
Shareholders funds			1,497,591		1,311,456
			<u> </u>		<u> </u>

These financial statements were approved by the board of directors and authorised for issue on 21 December 2018
, and are signed on behalf of the board by:

Mr J Chong

Director

Company registration number: 08384847

Eastern Healthcare Limited

Statement of changes in equity

Year ended 31 March 2018

	Called up share capital £	Profit and loss account £	Total £
At 1 April 2016	100	1,190,519	1,190,619
Profit for the year		148,837	148,837
Total comprehensive income for the year	-	148,837	148,837
Dividends paid and payable		(28,000)	(28,000)
Total investments by and distributions to owners	-	(28,000)	(28,000)
At 31 March 2017 and 1 April 2017	100	1,311,356	1,311,456
Profit for the year		240,135	240,135
Total comprehensive income for the year	-	240,135	240,135
Dividends paid and payable		(54,000)	(54,000)
Total investments by and distributions to owners	-	(54,000)	(54,000)
At 31 March 2018	100	1,497,491	1,497,591

Eastern Healthcare Limited**Statement of cash flows****Year ended 31 March 2018**

	2018	2017
	£	£
Cash flows from operating activities		
Profit for the financial year	240,135	148,837
<i>Adjustments for:</i>		
Depreciation of tangible assets	116,069	103,272
Amortisation of intangible assets	241,243	241,243
Other interest receivable and similar income	(867)	(785)
Interest payable and similar expenses	101,565	107,970
Tax on profit	99,039	86,346
Accrued expenses/(income)	2,388	(29,520)
<i>Changes in:</i>		
Stocks	146	(1,007)
Trade and other debtors	(76,555)	24,628
Trade and other creditors	(57,784)	(358,779)
	<hr/>	<hr/>
Cash generated from operations	665,379	322,205
Interest paid	(101,565)	(107,970)
Interest received	867	785
Tax paid	(85,761)	(104,029)
	<hr/>	<hr/>
Net cash from operating activities	478,920	110,991
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible assets	(265,061)	(75,664)
	<hr/>	<hr/>
Net cash used in investing activities	(265,061)	(75,664)
	<hr/>	<hr/>
Cash flows from financing activities		
Proceeds from borrowings	(38,306)	(87,040)
Payment of finance lease liabilities	(10,121)	26,775
Equity dividends paid	(54,000)	(28,000)
	<hr/>	<hr/>
Net cash used in financing activities	(102,427)	(88,265)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	111,432	(52,938)
Cash and cash equivalents at beginning of year	263,043	315,981
	<hr/>	<hr/>
Cash and cash equivalents at end of year	374,475	263,043
	<hr/>	<hr/>

Eastern Healthcare Limited

Notes to the financial statements

Year ended 31 March 2018

1. General information

The company is a private company limited by shares, registered in England. The address of the registered office is 46 Rodber Way, Lowestoft, Suffolk, NR32 4WJ.

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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

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 for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in

other comprehensive income or directly in capital and reserves, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised 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 that are expected to apply to the reversal of the timing difference.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	10 % straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2 % straight line
Fittings fixtures and equipment	-	15 % straight line
Motor vehicles	-	25 % straight line
Office equipment	-	25 % straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Hire purchase and finance leases

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

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.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2018	2017
	£	£
Sale of goods	3,719,665	3,275,027
Rendering of services	89,029	80,772
	<u>3,808,694</u>	<u>3,355,799</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Amortisation of intangible assets	241,243	241,243
Depreciation of tangible assets	116,069	103,272
Fees payable for the audit of the financial statements	5,400	5,400
	<u> </u>	<u> </u>

6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018	2017
Production staff	174	163
Administrative staff	1	2
	<u> </u>	<u> </u>
	175	165
	<u> </u>	<u> </u>

The aggregate payroll costs incurred during the year were:

	2018	2017
	£	£
Wages and salaries	2,039,517	1,809,584
Social security costs	69,206	73,294
Other pension costs	4,329	-
	<u> </u>	<u> </u>
	2,113,052	1,882,878
	<u> </u>	<u> </u>

7. Other interest receivable and similar income

	2018	2017
	£	£
Bank deposits	867	785
	<u> </u>	<u> </u>

8. Interest payable and similar expenses

	2018	2017
	£	£
Bank loans and overdrafts	94,231	98,946
Other loans made to the company:		
Finance leases and hire purchase contracts	5,449	4,817
Dividends paid on shares classed as debt	50	50
Other interest on other loans made to the company	1,835	4,157
	<u>101,565</u>	<u>107,970</u>

9. Tax on profit

Major components of tax expense

	2018	2017
	£	£
Current tax:		
UK current tax expense	95,458	85,761
	<u> </u>	<u> </u>
Deferred tax:		
Origination and reversal of timing differences	3,581	585
	<u> </u>	<u> </u>
Tax on profit	<u>99,039</u>	<u>86,346</u>

Reconciliation of tax expense

The tax assessed on the profit for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19.00 % (2017: 20.00%).

	2018	2017
	£	£
Profit before taxation	339,174	235,183
	<u> </u>	<u> </u>
Profit multiplied by rate of tax	64,443	47,037
Effect of expenses not deductible for tax purposes	(136,903)	(154,785)
Effect of capital allowances and depreciation	167,918	193,509
Deferred tax	3,581	585
	<u> </u>	<u> </u>
Tax on profit	<u>99,039</u>	<u>86,346</u>

10. Intangible assets

	Goodwill £	Total £
Cost		
At 1 April 2017 and 31 March 2018	2,412,431	2,412,431
Amortisation		
At 1 April 2017	493,679	493,679
Charge for the year	241,243	241,243
At 31 March 2018	734,922	734,922
Carrying amount		
At 31 March 2018	1,677,509	1,677,509
At 31 March 2017	1,918,752	1,918,752

11. Tangible assets

	Freehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Office equipment £	Total £
Cost					
At 1 April 2017	3,580,336	212,729	39,645	8,270	3,840,980
Additions	182,490	82,571	-	-	265,061
At 31 March 2018	3,762,826	295,300	39,645	8,270	4,106,041
Depreciation					
At 1 April 2017	162,273	57,430	7,593	2,687	229,983
Charge for the year	66,719	37,371	9,911	2,068	116,069
At 31 March 2018	228,992	94,801	17,504	4,755	346,052
Carrying amount					
At 31 March 2018	3,533,834	200,499	22,141	3,515	3,759,989
At 31 March 2017	3,418,063	155,299	32,052	5,583	3,610,997

Obligations under finance leases

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Fixtures, fittings and equipment £	Motor vehicles £
At 31 March 2018	57,776	22,141
At 31 March 2017	54,159	32,052

12. Investments

	Shares in group undertakings £	Total £
Cost		
At 1 April 2017 and 31 March 2018	18,000	18,000
Impairment		
At 1 April 2017 and 31 March 2018	-	-
Carrying amount		
At 31 March 2018	18,000	18,000
At 31 March 2017	18,000	18,000

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

Investments in group undertakings

	Registered office	Class of share	Percentage of shares held
Subsidiary undertakings			
St Edmunds Ltd	4-5 Marine Parade, Gorleston, Gt Yarmouth, Norfolk, NR31 6DP	Ordinary	100

The results and capital and reserves for the period of the trading companies are as follows:

	Capital and reserves		Profit/(loss) for the period	
	2018	2017	2018	2017
	£	£	£	£
Subsidiary undertakings				
St Edmunds Ltd	18,000	18,000	-	-
13. Stocks				
			2018	2017
			£	£
Finished goods and goods for resale			2,811	2,957
			<hr/>	<hr/>
14. Debtors				
			2018	2017
			£	£
Trade debtors			111,879	31,575
Prepayments and accrued income			20,400	22,254
Other debtors			3,431	5,326
			<hr/>	<hr/>
			135,710	59,155
			<hr/>	<hr/>
15. Creditors: amounts falling due within one year				
			2018	2017
			£	£
Bank loans and overdrafts			91,883	167,460
Trade creditors			75,579	69,137
Accruals and deferred income			95,679	91,877
Corporation tax			95,458	85,761
Social security and other taxes			19,183	16,728
Obligations under finance leases			12,454	17,205
Director loan accounts			78,412	99,948
Other creditors			64,019	114,182
			<hr/>	<hr/>
			532,667	662,298
			<hr/>	<hr/>

16. Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Bank loans and overdrafts	3,266,431	3,207,624
Shares classed as financial liabilities	500,000	500,000
Obligations under finance leases	39,684	45,054
Other creditors	3,266,431	3,225,556
	<u>7,072,546</u>	<u>6,978,234</u>

Included within creditors: amounts falling due after more than one year is an amount of £ 2,350,459 (2017 £ 2,484,520) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The bank loans are secured by a charge on the properties concerned, they are repayable over a term of 25 years and the rate of interest is 2.51% above the Bank of England Base Rate.

17. Obligations under finance leases

Company lessee

The total future minimum lease payments under finance lease agreements are as follows:

	2018	2017
	£	£
Not later than 1 year	12,454	17,205
Later than 1 year and not later than 5 years	39,684	45,054
	<u>52,138</u>	<u>62,259</u>
	<u>52,138</u>	<u>62,259</u>

The Hire Purchase agreements are secured on the assets concerned.

18. Provisions

	Deferred tax (note 19)	Total
	£	£
At 1 April 2017	128,540	128,540
Charges against provisions	3,581	3,581
At 31 March 2018	<u>132,121</u>	<u>132,121</u>

19. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2018	2017
	£	£
Included in provisions (note 18)	132,121	128,540
	<hr/>	<hr/>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2018	2017
	£	£
Accelerated capital allowances	132,121	128,540
	<hr/>	<hr/>

20. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £ 4,329 (2017: £-).

21. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2018	2017
	£	£
Recognised in creditors:		
Deferred government grants due within one year	22,730	21,316
	<hr/>	<hr/>

22. Financial instruments

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

	2018 £	2017 £
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	111,879	31,575
Other debtors	3,431	5,323
	<u>115,310</u>	<u>36,898</u>
Financial liabilities measured at amortised cost		
Trade creditors	75,579	69,137
Accruals	72,949	70,560
Other creditors	116,157	280,321
	<u>264,685</u>	<u>420,018</u>
Loan commitments measured at cost less impairment		
Bank loans	3,358,314	3,375,084
Preference shares	500,000	500,000
	<u>3,858,314</u>	<u>3,875,084</u>

23. Called up share capital

Issued, called up and fully paid

	2018 No	£	2017 No	£
Amounts presented in equity:				
Ordinary shares of £ 1.00 each	100	100	100	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Amounts presented in liabilities:				
Non-equity preference shares of £ 1.00 each	500,000	500,000	500,000	500,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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.

24. Reserves

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

25. Directors advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

2018

	Balance brought forward	Advances /(credits) to the directors	Amounts repaid	Balance o/standing
	£	£	£	£
Mr J Chong	(32,775)	(13,500)	18,778	(27,497)
Dr P D J Premachandra	(17,199)	(13,525)	19,015	(11,709)
Mrs N Chong	(32,775)	(13,500)	18,778	(27,497)
Mrs W Premachandra	(17,199)	(13,525)	19,015	(11,709)
	<u>(99,948)</u>	<u>(54,050)</u>	<u>75,586</u>	<u>(78,412)</u>

2017

	Balance brought forward	Advances /(credits) to the directors	Amounts repaid	Balance o/standing
	£	£	£	£
Mr J Chong	(41,463)	(7,000)	15,688	(32,775)
Dr P D J Premachandra	(103,536)	(7,025)	93,362	(17,199)
Mrs N Chong	(41,463)	(7,000)	15,688	(32,775)
Mrs W Premachandra	(103,536)	(7,025)	93,362	(17,199)
	<u>(289,998)</u>	<u>(28,050)</u>	<u>218,100</u>	<u>(99,948)</u>

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