

Company Registration No. 02022285 (England and Wales)

**COTDEAN NURSING HOMES LIMITED**

**ANNUAL REPORT AND  
UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2018**

**PAGES FOR FILING WITH REGISTRAR**

# COTDEAN NURSING HOMES LIMITED

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# COTDEAN NURSING HOMES LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2018

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	4	2,467,218	2,501,890
Investments	5	1	1
		<u>2,467,219</u>	<u>2,501,891</u>
<b>Current assets</b>			
Stocks		2,000	2,000
Debtors	6	662,540	657,545
Cash at bank and in hand		208,309	259,952
		<u>872,849</u>	<u>919,497</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>(417,578)</u>	<u>(446,467)</u>
<b>Net current assets</b>		<u>455,271</u>	<u>473,030</u>
<b>Total assets less current liabilities</b>		<u>2,922,490</u>	<u>2,974,921</u>
<b>Creditors: amounts falling due after more than one year</b>	8	(711,400)	(834,477)
<b>Provisions for liabilities</b>	9	(35,751)	(38,395)
<b>Net assets</b>		<u><u>2,175,339</u></u>	<u><u>2,102,049</u></u>
<b>Capital and reserves</b>			
Called up share capital	10	20,000	20,000
Revaluation reserve		1,122,004	1,128,536
Profit and loss reserves		1,033,335	953,513
<b>Total equity</b>		<u><u>2,175,339</u></u>	<u><u>2,102,049</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 July 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

## **COTDEAN NURSING HOMES LIMITED**

### **STATEMENT OF FINANCIAL POSITION (CONTINUED)**

***AS AT 31 JULY 2018***

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The financial statements were approved by the board of directors and authorised for issue on 17 April 2019 and are signed on its behalf by:

J M Nunn  
**Director**

**Company Registration No. 02022285**

# COTDEAN NURSING HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

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### 1 Accounting policies

#### Company information

Cotdean Nursing Homes Limited is a private company limited by shares incorporated in England and Wales. The registered office is Swinford House, Albion Street, Brierley Hill, West Midlands, DY6 3EE.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

#### 1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### 1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	2% of buildings straight line basis
Plant and machinery	10% reducing balance basis / 50 % straight line basis
Fixtures, fittings & equipment	15% / 25% reducing balance basis

# COTDEAN NURSING HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

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### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

# COTDEAN NURSING HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

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### 1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# COTDEAN NURSING HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Exceptional costs/(income)

	2018	2017
	£	£
Profit on sale of investment property	-	(35,072)
	<u>          </u>	<u>          </u>

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 83 (2017 - 85).



# COTDEAN NURSING HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

### 4 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost or valuation</b>				
At 1 August 2017	2,299,813	1,009,537	5,054	3,314,404
Additions	-	9,362	-	9,362
Disposals	-	(4,861)	-	(4,861)
At 31 July 2018	2,299,813	1,014,038	5,054	3,318,905
<b>Depreciation and impairment</b>				
At 1 August 2017	-	809,350	3,164	812,514
Depreciation charged in the year	20,756	22,844	434	44,034
Eliminated in respect of disposals	-	(4,861)	-	(4,861)
At 31 July 2018	20,756	827,333	3,598	851,687
<b>Carrying amount</b>				
At 31 July 2018	2,279,057	186,705	1,456	2,467,218
At 31 July 2017	2,299,813	200,187	1,890	2,501,890

The freehold land and buildings are included in the accounts based upon valuations which are updated internally by the directors as at 31 July 2018. The directors value the properties and relevant plant and machinery on an open market value for existing use. The valuation is based upon an informal valuation from professional valuers carried out in 2015.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2018 £	2017 £
Cost	1,310,761	1,310,761
Accumulated depreciation	(153,708)	(139,484)
Carrying value	1,157,053	1,171,277

### 5 Fixed asset investments

	2018 £	2017 £
Investments	1	1

# COTDEAN NURSING HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

### 5 Fixed asset investments (Continued)

#### Movements in fixed asset investments

#### Shares in group undertakings

	£
<b>Cost or valuation</b>	
At 1 August 2017 & 31 July 2018	1
<b>Carrying amount</b>	
At 31 July 2018	1
At 31 July 2017	1

### 6 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	130,549	125,178
Amounts owed by group undertakings	524,375	523,366
Prepayments and accrued income	7,616	9,001
	<u>662,540</u>	<u>657,545</u>

### 7 Creditors: amounts falling due within one year

	2018 £	2017 £
<b>Notes</b>		
Bank loans and overdrafts	104,135	101,399
Trade creditors	37,951	47,687
Other taxation and social security	54,974	64,854
Other creditors	90,494	112,310
Accruals and deferred income	130,024	120,217
	<u>417,578</u>	<u>446,467</u>

# COTDEAN NURSING HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

### 8 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Bank loans and overdrafts		711,400	834,477

All bank borrowings are secured by way of a debenture with a fixed charge held over the company freehold properties and a floating charge over the remaining assets of the company.

The long term loan is repayable over 193 months which commenced on the 31st January 2009. The interest rate for the loan is 1.75% above the bank base rate.

### 9 Provisions for liabilities

	2018 £	2017 £
Deferred tax liabilities	35,751	38,395

### 10 Called up share capital

	2018 £	2017 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
10,000 Ordinary A shares of £1 each	10,000	10,000
10,000 Ordinary B shares of £1 each	10,000	10,000
	20,000	20,000

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.