

**A & L CARE HOMES LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013**

Mark Holt & Co Limited  
Chartered Accountants  
Registered Auditors  
7 Sandy Court  
Ashleigh Way  
Langage Business Park  
Plymouth  
Devon  
PL7 5JX

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COMPANIES HOUSE

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FOR THE YEAR ENDED 31 AUGUST 2013**

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**A & L CARE HOMES LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

<b>DIRECTORS:</b>	Mr A Webb Mrs L Webb
<b>SECRETARY:</b>	Mr A Webb
<b>REGISTERED OFFICE:</b>	Amberley House 171-175 The Ridgeway Plympton PLYMOUTH Devon PL7 2HJ
<b>REGISTERED NUMBER:</b>	04495928 (England and Wales)
<b>AUDITORS:</b>	Mark Holt & Co Limited Chartered Accountants Registered Auditors 7 Sandy Court Ashleigh Way Langage Business Park Plymouth Devon PL7 5JX
<b>BANKERS:</b>	National Westminster Bank Plc 14 Old Town Street Plymouth Devon PL1 1DG

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 AUGUST 2013**

The directors present their report with the financial statements of the company for the year ended 31 August 2013.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of running two residential care homes.

**REVIEW OF BUSINESS**

On 31 May 2013, the ownership of the Homes Amberley House and Mayflower House were transferred to the Holding company, A & L Care Homes Limited. The trading activities of both Homes have remained in A & L Care Homes Limited during the year.

In addition to this the trade of Mayflower house was transferred to Mayflower House Limited on the 1 September 2013.

A & L Care Homes Limited is considered to have sufficient financial resources, as a consequence the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Hence the directors are able to conclude that the company has adequate resources to continue in operational existence for the foreseeable future.

**DIVIDENDS**

Interim dividends totalling £1896.725 per share were paid on the Ordinary £1 shares during the year. No dividends were paid on any other classes of shares.

The total distribution of dividends for the year ended 31 August 2013 will be £379,345.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 September 2012 to the date of this report.

Mr A Webb  
Mrs L Webb

**FINANCIAL INSTRUMENTS**

The company's principal financial instruments comprise bank balances/overdrafts, trade creditors, bank loans, and directors' loans. The main purpose of each of these instruments is to raise funds for the company's ongoing operations.

Due to the nature of the financial instruments used by the company there is not considered to be significant exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is explained below:

In respect of bank balances/overdrafts and private funding the liquidity risk is managed by maintaining a balance between the various elements of working capital. At present, neither interest rate risk, nor foreign exchange risk are considered significant in relation to these instruments.

The interest rate on bank loans is variable with monthly cash repayments being fixed. The company manages the liquidity risk by ensuring there are sufficient funds to meet the cash repayments. At present, interest rate risk is not considered significant in relation to these instruments.

Trade creditors' liquidity risk is managed by ensuring there is sufficient funds available from working capital to meet amounts due.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 AUGUST 2013**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 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 accounting estimates that are reasonable and prudent;
- 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**



.....  
Mr A Webb - Director

Date: .....21.5.2014.....

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
A & L CARE HOMES LIMITED**

We have audited the financial statements of A & L Care Homes Limited for the year ended 31 August 2013 on pages five to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 a Report of the Auditors 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.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2013 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.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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 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.

Mark Holt (Senior Statutory Auditor)  
for and on behalf of Mark Holt & Co Limited  
Chartered Accountants  
Registered Auditors  
7 Sandy Court  
Ashleigh Way  
Langage Business Park  
Plymouth  
Devon  
PL7 5JX



Date: 20.5.2014

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2013**

	Notes	2013 £	2012 £
<b>TURNOVER</b>		<b>1,910,974</b>	<b>1,991,832</b>
Cost of sales		<u>775,657</u>	<u>764,927</u>
<b>GROSS PROFIT</b>		<b>1,135,317</b>	<b>1,226,905</b>
Administrative expenses		<u>440,879</u>	<u>414,738</u>
<b>OPERATING PROFIT</b>	3	<b>694,438</b>	<b>812,167</b>
Interest payable and similar charges	4	<u>83,798</u>	<u>69,411</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>610,640</b>	<b>742,756</b>
Tax on profit on ordinary activities	5	<u>60,359</u>	<u>224,792</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>550,281</u></b>	<b><u>517,964</u></b>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year.

**BALANCE SHEET**  
**31 AUGUST 2013**

	Notes	2013 £	2012 £
<b>FIXED ASSETS</b>			
Intangible assets	7	-	-
Tangible assets	8	9,648	3,615,552
		<u>9,648</u>	<u>3,615,552</u>
<b>CURRENT ASSETS</b>			
Debtors	9	648,002	171,794
Cash at bank and in hand		464,376	372,630
		<u>1,112,378</u>	<u>544,424</u>
<b>CREDITORS</b>			
Amounts falling due within one year	10	192,208	407,230
<b>NET CURRENT ASSETS</b>		<u>920,170</u>	<u>137,194</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>929,818</u>	<u>3,752,746</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	11	-	(2,927,563)
<b>PROVISIONS FOR LIABILITIES</b>	15	(2,219)	(68,520)
<b>NET ASSETS</b>		<u>927,599</u>	<u>756,663</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	200	200
Profit and loss account	17	927,399	756,463
<b>SHAREHOLDERS' FUNDS</b>	22	<u>927,599</u>	<u>756,663</u>

The financial statements were approved by the Board of Directors on 21/5/2014 and were signed on its behalf by:

  
 .....  
 Mr A Webb - Director



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Financial Reporting Standard number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

**Turnover**

Turnover represents net invoiced residential care home fees, excluding value added tax. Turnover is recognised per night that a room is occupied.

**Goodwill**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of 10 years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- not provided
Improvements to leasehold property	- 10% on cost
Fixtures & equipment	- 25% on cost
Motor vehicles	- 25% on cost

No depreciation is provided on the company's land and buildings interest because the directors believe that the residual values are considered to be high due in part because each property is subject to a repair and maintenance programme and they are unlikely to suffer from technological or economic obsolescence. Accordingly, the directors consider that the depreciation charge for the year and on a cumulative basis is immaterial. This departure from the requirements of Companies Act 2006 for all properties to be depreciated, is, in the opinion of the directors, necessary for the financial statements to give a true and fair view.

**Deferred tax**

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

Deferred tax assets and liabilities are not discounted.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Development loan interest**

Loan interest on the development loans is not capitalised, as allowed by the provisions of the FRSSE.

**Capitalisation of loan arrangement costs**

Following the provisions of the FRSSE, the company capitalises the cost of arranging development loans and amortises this cost on a straight-line basis over the life of the loan.

**Related party exemption**

The company is a wholly owned subsidiary of A & L Care Homes Holdings Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members of the group.

2. STAFF COSTS

	2013	2012
	£	£
Wages and salaries	<u>728,025</u>	<u>697,332</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2013

2. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2013	2012
Care Staff	<u>70</u>	<u>68</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2013 £	2012 £
Hire of plant and machinery	38,426	35,732
Depreciation - owned assets	5,593	10,904
Goodwill amortisation	-	16,000
Auditors' remuneration	3,000	3,600
Other services supplied pursuant to such legislation	5,050	9,218
Other services relating to taxation	<u>1,800</u>	<u>15,710</u>

Directors' remuneration	<u>30,250</u>	<u>14,000</u>
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4. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
Bank loan interest	<u>83,798</u>	<u>69,411</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2013 £	2012 £
Current tax:		
UK corporation tax	126,619	156,355
Over/under provision of prior year	<u>41</u>	<u>(83)</u>
Total current tax	<u>126,660</u>	<u>156,272</u>
Deferred tax	<u>(66,301)</u>	<u>68,520</u>
Tax on profit on ordinary activities	<u>60,359</u>	<u>224,792</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

**5. TAXATION - continued****Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	<u>610,640</u>	<u>742,756</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.243% (2012 - 23.540%)	141,931	174,845
Effects of:		
Capital allowances in excess of depreciation	(3,627)	(22,256)
Adjustments to tax charge in respect of previous periods	41	(83)
Amortisation of Goodwill	-	3,766
Legal and Professional Fees	723	-
Group Relief	<u>(12,408)</u>	<u>-</u>
Current tax charge	<u>126,660</u>	<u>156,272</u>

**6. DIVIDENDS**

	2013 £	2012 £
Ordinary shares of £1 each Interim	<u>379,345</u>	<u>57,000</u>

**7. INTANGIBLE FIXED ASSETS**

	Goodwill £
<b>COST</b>	
At 1 September 2012 and 31 August 2013	<u>160,000</u>
<b>AMORTISATION</b>	
At 1 September 2012 and 31 August 2013	<u>160,000</u>
<b>NET BOOK VALUE</b>	
At 31 August 2013	<u>-</u>
At 31 August 2012	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

**8. TANGIBLE FIXED ASSETS**

	Freehold property £	Improvements to leasehold property £	Fixtures & equipment £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 September 2012	3,582,201	68,685	45,145	28,221	3,724,252
Additions	-	-	6,231	-	6,231
Disposals	(3,582,201)	(68,685)	-	-	(3,650,886)
At 31 August 2013	-	-	51,376	28,221	79,597
<b>DEPRECIATION</b>					
At 1 September 2012	-	44,344	36,135	28,221	108,700
Charge for year	-	-	5,593	-	5,593
Eliminated on disposal	-	(44,344)	-	-	(44,344)
At 31 August 2013	-	-	41,728	28,221	69,949
<b>NET BOOK VALUE</b>					
At 31 August 2013	-	-	9,648	-	9,648
At 31 August 2012	3,582,201	24,341	9,010	-	3,615,552

The beneficial interest in the Freehold Property was transferred to A & L Care Homes Holdings Limited on 31 May 2013 and was being held under a declaration of Trust. The transfer of legal title followed on 30 August 2013.

**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013 £	2012 £
Trade debtors	10,479	29,798
Amounts owed by group undertakings	585,076	-
Directors' current accounts	44,564	134,113
Prepayments and accrued income	7,883	7,883
	<u>648,002</u>	<u>171,794</u>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013 £	2012 £
Bank loans and overdrafts (see note 12)	-	205,561
Trade creditors	7,260	11,370
Amounts owed to group undertakings	-	149
Tax	126,663	156,355
Social security and other taxes	6,721	6,317
Accruals and deferred income	51,564	27,478
	<u>192,208</u>	<u>407,230</u>

**11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2013 £	2012 £
Bank loans (see note 12)	-	2,927,563

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2013

12. LOANS

An analysis of the maturity of loans is given below:

	2013 £	2012 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	5
Bank loans	-	205,556
	<u>-</u>	<u>205,561</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	-	2,927,563
	<u>-</u>	<u>2,927,563</u>

13. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2013 £	2012 £	2013 £	2012 £
Expiring:				
Between one and five years	<u>90,000</u>	<u>-</u>	<u>-</u>	<u>14,000</u>

14. SECURED DEBTS

The following secured debts are included within creditors:

	2013 £	2012 £
Bank overdraft	-	5
Bank loans	-	3,133,119
	<u>-</u>	<u>3,133,124</u>

15. PROVISIONS FOR LIABILITIES

	2013 £	2012 £
Deferred tax	<u>2,219</u>	<u>68,520</u>
		Deferred tax
		£
Balance at 1 September 2012		68,520
Accelerated capital allowances		(66,301)
Balance at 31 August 2013		<u>2,219</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2013 £	2012 £
Number:	Class:	Nominal value:		
200	Ordinary	£1	<u>200</u>	<u>200</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

**17. RESERVES**

	Profit and loss account £
At 1 September 2012	756,463
Profit for the year	550,281
Dividends	(379,345)
	<hr/>
At 31 August 2013	927,399
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**18. ULTIMATE PARENT COMPANY**

A & L Care Homes Limited is a wholly owned subsidiary of A & L Care Homes Holdings Limited, it's ultimate parent undertaking and controlling party, which is incorporated in the UK. The company's Accounts are available at Companies House, Cardiff.

**19. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 31 August 2013 and 31 August 2012:

	2013 £	2012 £
<b>Mr A Webb and Mrs L Webb</b>		
Balance outstanding at start of year	134,112	(207,723)
Amounts advanced	792,824	433,835
Amounts repaid	(882,374)	(92,000)
Balance outstanding at end of year	44,562	134,112
	<hr/>	<hr/>

This balance was cleared on the 5th March 2013

**20. RELATED PARTY DISCLOSURES****Mr A Webb**

A company in which Mr Webb is a shareholder.

	2013 £	2012 £
Amount due from related party at the balance sheet date	22,281	67,056
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During the year, the director, Mr A Webb, rented land and buildings to the A&L Care Homes Limited. The rent paid during this period totalled £5,330 (2012: £7,000).

Mr A Webb also introduced funds totalling £406,682 relating to his Directors loan account balance which was transferred from A&L Care Homes Holdings Limited during the year.

Also during the year net wages totalling £15,125 were credited to Mr A Webbs directors loan account.

During the year and the company settled liabilities on behalf of Mr A Webb totalling £396,412 and Mr A Webb settled liabilities on behalf of the company totalling £14,050.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

**20. RELATED PARTY DISCLOSURES - continued****Mrs L Webb**

A company in which Mrs Webb is a shareholder.

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Amount due from related party at the balance sheet date	<b><u>22,281</u></b>	<b><u>67,056</u></b>

During the year, Mrs L Webb, rented land and buildings to the company. The rent paid during this period totalled £5,330 (2012: £7,000).

Mrs L Webb also introduced funds totalling £406,682 relating to her Directors loan account balance which was transferred from A&L Care Homes Holdings Limited during the year.

Also during the year net wages totalling £15,125 were credited to Mrs L Webbs directors loan account.

During the year and the company settled liabilities on behalf of Mrs L Webb totalling £396,412 and Mrs L Webb settled liabilities on behalf of the company totalling £14,050.

**21. POST BALANCE SHEET EVENTS**

On the 1 September 2013 the trade of Mayflower House was transferred to Mayflower House Limited.

**22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	<b>550,281</b>	517,964
Dividends	<b>(379,345)</b>	(57,000)
<b>Net addition to shareholders' funds</b>	<b><u>170,936</u></b>	<u>460,964</u>
Opening shareholders' funds	<b><u>756,663</u></b>	<u>295,699</u>
<b>Closing shareholders' funds</b>	<b><u>927,599</u></b>	<u>756,663</u>