

**DOVESTONE ESTATES LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2013**

Company Registration No. 00777567 (England and Wales)

**Alan Cooper Saunders Angel**

Chartered Accountants  
Kenton House  
666 Kenton Road  
Harrow, Middlesex  
HA3 9QN

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# DOVESTONE ESTATES LIMITED

## COMPANY INFORMATION

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### Directors

S Segal  
R Segal  
H Segal

### Secretary

R Segal

### Company number

00777567

### Registered office

Kenton House  
666 Kenton Road  
Harrow, Middlesex  
HA3 9QN

### Auditors

Alan Cooper Saunders Angel  
Chartered Accountants  
Registered Auditors  
Kenton House  
666 Kenton Road  
Harrow, Middlesex  
HA3 9QN

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# DOVESTONE ESTATES LIMITED

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# DOVESTONE ESTATES LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2013

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The directors present their report and the audited financial statements for the year ended 31 August 2013.

#### Principal activities and review of the business

The principal activities of the company in the year under review continue to be that of the provision of residential and nursing care for the elderly, disabled, the young physically handicapped and terminally ill. No significant changes in the nature of the activities occurred during the year.

The net profit after providing for taxation amounted to £71,570. The directors have reviewed the performance of the company during the year and are satisfied that it is line with expectations.

Full results for the year are set out on page 7.

The key performance measures that the Board use to monitor the company's progress against its objectives are;

- Quality of care, the health and wellbeing of the residents
- Occupancy rates
- Fee levels
- Earnings before interest, taxation, depreciation and amortisation.
- Margin
- Staff and agency cost and
- Ratings by the Care Quality Commission.

The Directors consider the results achieved on ordinary activities to be satisfactory given the environment within which the company operates and risks to the company's market share from new competition in the area.

Following the completion of the extension, refurbishment and redevelopment of the existing Wray Common Nursing Home, which was completed in May 2012, the Directors are pleased to report a 6.7% increase in turnover over the previous year. The building work was necessary to improve and modernise the facilities, so that the nursing home may continue to compete successfully with newer, purpose built care homes in the area that have entered the market place in recent years. The building work has increased the registered bed capacity from 47 to 53, in single occupancy rooms, of which 37 have en-suite facilities. In view of the increased bed capacity, the Directors are confident in increasing the company's turnover in the ensuing years.

The nursing home is currently registered for 55 beds and operates to a reduced capacity of 53 utilising all rooms in single occupancy.

The program of extension, refurbishment and modernisation has enhanced the environment and ambience of the nursing home, which when coupled with the long history and reputation that the nursing home has established, will hopefully strengthen its position in the market place for many years to come.

Overall in 2013, based on a maximum available capacity of 53 registered beds, the company traded at near full capacity throughout the year, averaging a 95% occupancy rate.

The earnings before interest, taxation, depreciation amounted to £247,156. The Directors will endeavour to control costs and maintain the occupancy rate, going forward and the Directors are confident in improving the company's profitability in the ensuing years.

# DOVESTONE ESTATES LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2013

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The company's strategy is one of growth, within their capabilities, through possible further extension of the Wray Common Nursing Home and existing facilities, as detailed in future developments below.

#### Investment in the business

The directors continue to invest in maintaining and improving the building, fixtures and fittings of the nursing home to provide a comfortable, safe and happy environment for the residents. The directors regard this investment as being integral to the continuing success of the business and ensuring that the residents are provided with a nursing home which they can enjoy.

The directors also place high importance on investing in the development and training of staff to ensure that the company meets all statutory and regulatory requirements as well as supplying a high level of service to the residents.

#### Going Concern

Adequate finance exists to take advantage of business opportunities and the directors consider the state of affairs to be satisfactory, given the substantial loan creditor which exists at the balance sheet date and the current uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Results and dividends

The directors do not recommend a final dividend. It is proposed that the retained profit for the year of £88,181 be transferred to the reserves.

#### Fixed assets

Full details of all movements in fixed assets during the year are set out in the notes to the financial statements.

#### Market value of land and buildings

The Nursing Home at Wray Common Road, Reigate, Surrey, RH2 0ND was revalued in June 2012, by Savills Commercial Limited, a firm of independent surveyors and valuers, on the basis of open market value for existing use as a fully equipped and operational entity. The revaluation was incorporated in the 2012 financial statements. The directors do not consider a revaluation adjustment to be necessary for the year ended 31 August 2013 in respect of the nursing home.

#### Post balance sheet events

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in financial years subsequent to the financial year ended 31 August 2013.

# DOVESTONE ESTATES LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### **Future developments and outlook**

In addition to the extension and redevelopment works undertaken and completed in May 2012, further planning consent has been granted for the construction of 5 rooms on the second floor. This may form the second phase of works and the Directors will review and decide whether to proceed in due course, after taking into consideration the initial outlay required, and the value and profitability expected to be gained by the company. Up to the date of signing their report, the Directors have not embarked on the second phase of the modernisation plan.

The directors have continued their plans to refurbish and redevelop and modernise the existing nursing home by converting existing rooms to add en-suite facilities and state of the art fixtures, fittings and equipment.

The external commercial environment is expected to remain competitive but stable in 2014. However, the directors remain confident that they will maintain their current level of performance in the future.

### **Financial instruments risk, management, objectives, uncertainties and policies**

The company seeks to operate within its agreed loan facility with the bank. All sales are to UK customers and all suppliers are UK based: the company has therefore not entered into any hedging arrangements in respect of risks relating to trade debtors or creditors.

Details of the company's financial risk is included in Note 11 to the financial statements.

The company is currently reliant on loan facilities from its bankers and therefore has a general loan risk. The company has tightened up controls over collection of trade debtors and has also negotiated favourable payment terms with its suppliers.

In addition to the above, the management of the business and the expectation of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition from both national and local care home owners together with resident and employee retention.

### **Directors**

The directors who served during the year were as follows:

Mr S Segal  
Mrs R Segal  
Mr H Segal

# DOVESTONE ESTATES LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### Statement of directors' responsibilities

The directors are responsible for preparing the 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 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.

The directors' are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Statement of disclosure to auditors

The directors of the company who held office at the date of approval of this annual report confirm that :

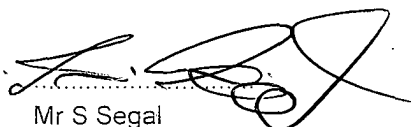
(a) so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

Pursuant to Section 487(2) of the Companies Act 2006, the auditors will be deemed to be reappointed and Alan Cooper Saunders Angel will therefore continue in office.

On behalf of the board



Mr S Segal  
Director

MAY 27 2014

# **DOVESTONE ESTATES LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF DOVESTONE ESTATES LIMITED**

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We have audited the financial statements of DOVESTONE ESTATES LIMITED for the year ended 31 August 2013 set out on pages 7 to 20. 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 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.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 4, 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 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 (APB'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 directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



# DOVESTONE ESTATES LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF DOVESTONE ESTATES LIMITED

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#### 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.



Andreas Michael

(Senior Statutory Auditor)

for and on behalf of Alan Cooper Saunders Angel

Chartered Accountants and Statutory Auditors

Kenton House  
666 Kenton Road  
Harrow, Middlesex  
HA3 9QN

28/05/2014...

# DOVESTONE ESTATES LIMITED

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

	Notes	2013 £	2012 £
Turnover		1,883,684	1,765,123
Cost of sales		(1,156,805)	(1,158,416)
<b>Gross profit</b>		<b>726,879</b>	<b>606,707</b>
Administrative expenses		(589,423)	(622,963)
Other operating income		-	30,000
<b>Operating profit</b>	<b>3</b>	<b>137,456</b>	<b>13,744</b>
Other interest receivable and similar income		144	-
Interest payable and similar charges	<b>4</b>	(67,669)	(146,547)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>69,931</b>	<b>(132,803)</b>
Tax on profit/(loss) on ordinary activities	<b>5</b>	1,639	(2,474)
<b>Profit/(loss) on ordinary activities after taxation</b>		<b>71,570</b>	<b>(135,277)</b>
Transfer from revaluation reserve	<b>15</b>	16,611	19,543
<b>Profit/(loss) on ordinary activities after taxation being profit for the financial year</b>	<b>15</b>	<b>88,181</b>	<b>(115,734)</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# DOVESTONE ESTATES LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	2013 £	2012 £
Profit/(loss) for the financial year		71,570	(135,277)
Unrealised deficit on revaluation of properties		-	(194,849)
Total recognised gains and losses recognised since last financial statements		71,570	(330,126)

### Note of historical cost profits and losses

	2013 £	2012 £
Reported profit/(loss) on ordinary activities before taxation	69,931	(132,803)
Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	16,611	19,543
Historical cost profit/(loss) on ordinary activities before taxation	86,542	(113,260)
Historical cost profit/(loss) for the year retained after taxation, extraordinary items and dividends	88,181	(115,734)

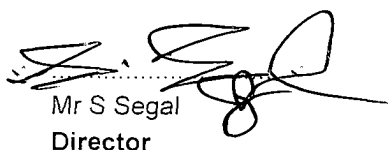
# DOVESTONE ESTATES LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 2013

	Notes	2013		2012	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	6		1		1
Tangible assets	7		4,776,011		4,844,595
			<u>4,776,012</u>		<u>4,844,596</u>
<b>Current assets</b>					
Stocks	8	10,000		9,200	
Debtors	9	138,435		199,999	
Cash at bank and in hand		243,722		150,729	
		<u>392,157</u>		<u>359,928</u>	
<b>Creditors: amounts falling due within one year</b>	10	(300,354)		(258,048)	
<b>Net current assets</b>			<u>91,803</u>		<u>101,880</u>
<b>Total assets less current liabilities</b>			<u>4,867,815</u>		<u>4,946,476</u>
<b>Creditors: amounts falling due after more than one year</b>	11	(2,038,078)		(2,164,400)	
<b>Provisions for liabilities</b>	12	(17,757)		(19,415)	
<b>Accruals and deferred income</b>	13	(66,752)		(89,003)	
		<u>2,745,228</u>		<u>2,673,658</u>	
<b>Capital and reserves</b>					
Called up share capital	14	4,100		4,100	
Revaluation reserve	15	2,910,485		2,927,096	
Profit and loss account	15	(169,357)		(257,538)	
<b>Shareholders' funds</b>	16	<u>2,745,228</u>		<u>2,673,658</u>	

The Financial Statements were approved by the board on 15/10/2014 and signed on its behalf:

  
Mr S Segal  
Director

Company Registration No. 00777567

# DOVESTONE ESTATES LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2013

	£	2013 £	£	2012 £
Net cash inflow from operating activities		267,887		38,396
<b>Returns on investments and servicing of finance</b>				
Interest received	144		-	
Interest paid	(81,469)		(140,997)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(81,325)		(140,997)
<b>Taxation</b>				
Tax refund received		21,125		-
Tax paid		-		-
Payments to acquire tangible assets	(40,972)		(265,848)	
<b>Net cash (outflow)/inflow for capital expenditure</b>		(40,972)		(265,848)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		166,715		(368,449)
<b>Financing</b>				
New long term bank loan	-		2,164,400	
Other new short term loans	-		68,600	
Incentive payment received	-		89,003	
Repayment of long term bank loan	(73,722)		(1,934,370)	
<b>Net cash inflow/(outflow) from financing</b>		(73,722)		387,633
<b>Increase in cash in the year</b>		92,993		19,184

# DOVESTONE ESTATES LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2013

1	Reconciliation of operating profit to net cash inflow from operating activities		2013	2012
			£	£
	Operating profit		137,456	13,744
	Depreciation of tangible assets		109,556	124,682
	(Increase) in stocks		(800)	(200)
	Decrease/(increase) in debtors		40,439	(89,350)
	(Decrease) in creditors within one year		(18,764)	(10,480)
	Net cash inflow from operating activities		267,887	38,396

2	Analysis of net debt	1 September 2012	Cash flow	Other non-cash changes	31 August 2013
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	150,729	92,993	-	243,722
	Debt:				
	Debts falling due within one year	(68,600)	(52,600)	-	(121,200)
	Debts falling due after one year	(2,164,400)	126,322	-	(2,038,078)
		(2,233,000)	73,722	-	(2,159,278)
	Net debt	(2,082,271)	166,715	-	(1,915,556)

3	Reconciliation of net cash flow to movement in net debt	2013	2012
		£	£
	Increase in cash in the year	92,993	19,184
	New long term bank loan	-	(2,233,000)
	Repayment of long term bank loan	73,722	1,934,370
	Movement in net debt in the year	166,715	(279,446)
	Opening net debt	(2,082,271)	(1,802,825)
	Closing net debt	(1,915,556)	(2,082,271)

# DOVESTONE ESTATES LIMITED

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

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### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### 1.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with applicable accounting standards.

#### 1.2 Turnover

Turnover comprises the invoiced value, of goods and services supplied by the company during the year.

#### 1.3 Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separate net assets. It is amortised to the profit and loss account over a period of twenty years, which is the directors' best estimate of its useful economic life.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets less their estimated residual value over their expected useful life, on the following bases:

Freehold buildings	1% per annum, straight line basis
Improvements	1% per annum, straight line basis
Fixtures, fittings & equipment	25% on written down value
Motor vehicles	25% on written down value

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

The net book value of the company's freehold buildings reflects the high quality nature of these assets and the company's practice is to maintain these assets in a continual state of sound repair and to make improvements thereto as and when necessary.

#### 1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired under hire purchase contracts are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

#### 1.6 Stock

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete stock.

# DOVESTONE ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

### 1 Accounting policies

(continued)

#### 1.7 Deferred taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. In accordance with FRS19, deferred tax is not recognised on revaluation gains. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 2 Turnover

The company's turnover from continuing operations arose wholly in the United Kingdom and is attributable to the company's principal activities.

3	Operating profit	2013 £	2012 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets		
	- owned by the company	109,556	124,682
	Other operating lease rentals	7,553	7,553
	Auditors' remuneration	5,700	5,640

4	Interest payable	2013 £	2012 £
	Included in interest payable are the following amounts:		
	Interest on bank loans and overdrafts	67,669	146,547



# DOVESTONE ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

5	Taxation	2013 £	2012 £
	Domestic current year tax		
	U.K. corporation tax	19	-
	Total current tax	19	-
	Deferred tax		
	Deferred tax charge current year	(1,658)	2,474
		(1,639)	2,474
	<b>Factors affecting the tax charge for the year</b>		
	Profit/(loss) on ordinary activities before taxation	69,931	(132,803)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2012 - 0.00%)	13,986	-
	Effects of:		
	Non deductible expenses	38	-
	Depreciation add back	21,911	-
	Capital allowances	(14,119)	-
	Adjustments to tax charge in respect of previous periods	(21,797)	-
		(13,967)	-
	Current tax charge for the year	19	-
6	<b>Intangible fixed assets</b>		
			Goodwill £
	<b>Cost</b>		
	At 1 September 2012 & at 31 August 2013		200,000
	<b>Amortisation</b>		
	At 1 September 2012 & at 31 August 2013		199,999
	<b>Net book value</b>		
	At 31 August 2013		1
	At 31 August 2012		1

# DOVESTONE ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

### 7 Tangible fixed assets

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 September 2012	4,575,351	894,832	22,745	5,492,928
Additions	-	40,972	-	40,972
At 31 August 2013	4,575,351	935,804	22,745	5,533,900
<b>Depreciation</b>				
At 1 September 2012	-	635,183	13,150	648,333
Charge for the year	32,002	75,155	2,399	109,556
At 31 August 2013	32,002	710,338	15,549	757,889
<b>Net book value</b>				
At 31 August 2013	4,543,349	225,466	7,196	4,776,011
At 31 August 2012	4,575,351	259,649	9,595	4,844,595

Included in freehold land and buildings at 31 August 2013 is land valued at £1,375,161 (cost : £354,080) which is not depreciated.

The Nursing Home at Wray Common Road, Reigate, Surrey, RH2 0ND was revalued in June 2012, by Savills Commercial Limited, a firm of independent surveyors and valuers, on the basis of open market value for existing use as a fully equipped and operational entity. The revaluation was incorporated in the 2012 financial statements. The directors do not consider a revaluation adjustment to be necessary for the year ended 31 August 2013 in respect of the nursing home.

#### Comparable historical cost for the land and buildings included at valuation:

	£
<b>Cost</b>	
At 1 September 2012 & at 31 August 2013	1,893,186
<b>Depreciation based on cost</b>	
At 1 September 2012	224,941
Charge for the year	15,391
Disposals	-
At 31 August 2013	240,332
<b>Net book value</b>	
At 31 August 2013	1,652,854
At 31 August 2012	1,668,245

# DOVESTONE ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

8	Stocks	2013 £	2012 £
	Raw materials and consumables	10,000	9,200

9	Debtors	2013 £	2012 £
	Trade debtors	77,769	88,209
	Corporation tax	-	21,125
	Other debtors	-	29,954
	Prepayments and accrued income	60,666	60,711
		138,435	199,999

10	Creditors: amounts falling due within one year	2013 £	2012 £
	Bank loans	121,200	68,600
	Trade creditors	38,875	54,560
	Corporation Tax	19	-
	Other taxation and social security costs	26,163	29,866
	Other creditors	80,713	77,153
	Accruals and deferred income	33,384	27,869
		300,354	258,048

Bank loans are secured by the company as detailed in note 11.

# DOVESTONE ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

11 Creditors: amounts falling due after more than one year	2013 £	2012 £
Bank loans	<u>2,038,078</u>	<u>2,164,400</u>
<b>Loan maturity analysis</b>		
Between one and two years	125,739	121,200
Between two and five years	406,328	391,600
After more than five years	<u>1,506,011</u>	<u>1,651,600</u>
	<u>2,038,078</u>	<u>2,164,400</u>

The bank loan is secured by a first fixed legal charge over the company's freehold land and buildings, plus a cross guarantee and debenture by and between the company and Everycare (East Surrey) Limited, a related party.

The loan is repayable in annual instalments, plus interest at an annual rate of 3.2% above the Bank's base rate, yielding a pay rate of 3.7% as at 31 August 2013. Included in bank loans as at 31 August 2013 is £2,159,278 (2012:£2,233,000) which represents the bank loan repayable over 15 years.

## 12 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 September 2012	19,415
Profit and loss account	<u>(1,658)</u>
Balance at 31 August 2013	<u>17,757</u>

No provision has been made for deferred tax in the region of £240,000 arising on the revaluation of freehold land and buildings. This expected amount may become payable in the event of the property being sold.

The deferred tax liability is made up as follows:

	2013 £	2012 £
Accelerated capital allowances	<u>17,757</u>	<u>19,415</u>

# DOVESTONE ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

### 13 Accruals and deferred income

	Incentive payment £
Balance at 1 September 2012	89,003
Released to the profit & loss account during the year	(22,251)
Balance at 31 August 2013	<u>66,752</u>

The company received an incentive payment of £89,003 from Barclays Bank P.L.C, the company's bankers, in addition to the £2,200,000 bank loan drawdown in July 2012. This amount or part thereof is repayable to the bank, if the company defaults on its obligations or if it repays the loan in full or in part within 5 years from the date of drawdown. The release to the profit and loss account during the year has been matched against loan interest paid.

### 14 Share capital

	2013 £	2012 £
Allotted, called up and fully paid 4,100 Ordinary shares of £1 each	<u>4,100</u>	<u>4,100</u>

### 15 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 September 2012	2,927,096	(257,538)
Retained profit for the year	-	88,181
Transfer from revaluation reserve to profit and loss account	<u>(16,611)</u>	<u>-</u>
Balance at 31 August 2013	<u>2,910,485</u>	<u>(169,357)</u>

# DOVESTONE ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

16 Reconciliation of movements in shareholders' funds	2013 £	2012 £
Profit/(Loss) for the financial year	71,570	(135,277)
Other recognised gains and losses	-	(194,849)
	<u>71,570</u>	<u>(135,277)</u>
Net addition to/(depletion in) shareholders' funds	71,570	(330,126)
Opening shareholders' funds	2,673,658	3,003,784
	<u>2,673,658</u>	<u>3,003,784</u>
Closing shareholders' funds	<u>2,745,228</u>	<u>2,673,658</u>

### 17 Financial commitments

At 31 August 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 August 2014:

	2013 £	2012 £
Operating leases which expire:		
Between two and five years	<u>7,493</u>	<u>7,493</u>

### 18 Post balance sheet events

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in financial years subsequent to the financial year ended 31 August 2013.

19 Directors' remuneration	2013 £	2012 £
Emoluments for qualifying services	<u>219,589</u>	<u>217,470</u>
Remuneration disclosed above includes the following amounts paid to the highest paid director:		
Emoluments for qualifying services	<u>78,896</u>	<u>10,722</u>

# DOVESTONE ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

### 20 Transactions with directors

A limited personal guarantee to the extent of £35,000 has been given by Mr S. Segal in favour of Barclays Bank Plc, to secure banking facilities for the company including Banking Automated Clearing System (BACS) payments and other direct debit arrangements.

Mr S.Segal and Mr H. Segal are directors and equal shareholders (50% each) in Everycare (East Surrey) Limited, a company incorporated in England which provides home care and nursing services. At 31 August 2013, £124 (2012 : £29,954) was owed by Everycare (East Surrey) Limited) was owed to Everycare (East Surrey) Limited by the company. The balance arose under normal commercial trading terms.

Nil (2012:£30,000) has been charged to Everycare (East Surrey) Limited under normal commercial terms for the management services of Mr. H.B.Segal, provided during the year ended 31 March 2013.

The directors of the company had no other material transactions with the company during the year other than directors' emoluments.

### 21 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2013 Number	2012 Number
Office, management and nurses	74	70

#### Employment costs, including directors' remuneration

	2013 £	2012 £
Wages and salaries	1,183,685	1,171,954
Social security costs	96,515	100,128
	<u>1,280,200</u>	<u>1,272,082</u>

### 22 Related party transactions

The company is under the control of Mr.S.Segal and his wife Mrs.R.Segal (Directors) by virtue of their joint ownership of 89% (2012: 89%) of the issued share capital in the company.