

Company Registration No. 03122943 (England and Wales)

HALTON SERVICES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018
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HALTON SERVICES LIMITED

COMPANY INFORMATION

Directors	Mr B Cooney Mr B Lambert
Secretary	Mr S Bates
Company number	03122943
Registered office	Russell House Oxford Road Bournemouth Dorset BH8 8EX
Auditor	Morris Lane 31/33 Commercial Road Poole Dorset BH14 0HU

HALTON SERVICES LIMITED

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HALTON SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION

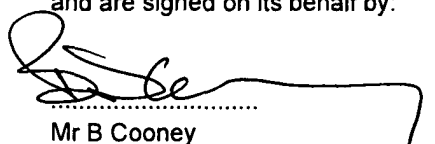
AS AT 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Property, plant and equipment	4		60,384		2,352
Investments	5		102		102
			<u>60,486</u>		<u>2,454</u>
Current assets					
Trade and other receivables - deferred tax	9	-		4,573	
Trade and other receivables - other	7	375,279		293,218	
Cash and cash equivalents		67,415		119,135	
		<u>442,694</u>		<u>416,926</u>	
Current liabilities	8	(354,352)		(317,456)	
Net current assets			<u>88,342</u>		<u>99,470</u>
Total assets less current liabilities			<u>148,828</u>		<u>101,924</u>
Provisions for liabilities					
Deferred tax liability	9	180	(180)	-	-
Net assets			<u>148,648</u>		<u>101,924</u>
Equity					
Called up share capital	11		2		2
Retained earnings	12		148,646		101,922
Total equity			<u>148,648</u>		<u>101,924</u>

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

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

The financial statements were approved by the board of directors and authorised for issue on 27/9/2018 and are signed on its behalf by:


 Mr B Cooney
 Director

Company Registration No. 03122943

HALTON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

Company information

Halton Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is Russell House, Oxford Road, Bournemouth, Dorset, BH8 8EX. The principal place of business is Charville Lane West, Uxbridge, Middlesex, UB10 0BY.

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 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.

1.2 Business combinations

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Halton Services Limited is a wholly owned subsidiary of Canford Healthcare Limited and the results of Halton Services Limited are included in the consolidated financial statements of Canford Healthcare Limited which are available from Russell House, Oxford Road, Bournemouth, Dorset, BH8 8EX.

1.3 Going concern

At the time of approving the financial statements, 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 financial statements.

1.4 Revenue

Revenue 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 the supply of care services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where payments are received from customers in advance of services provided the amounts are recorded as deferred income and included as part of payables due within one year.

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

HALTON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

1.5 Property, plant and equipment

Property, plant and equipment 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:

Leasehold improvements	7 years straight line
Fixtures and fittings	7 years straight line
Computers	4 years straight line
Motor vehicles	7 years straight line

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.

1.6 Non-current 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.

1.7 Impairment of non-current 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.

HALTON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents 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.

1.9 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 trade and other receivables 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

HALTON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

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 trade and other payables, 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 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.

1.11 Taxation

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

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.

HALTON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

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.

1.12 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 non-current 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.

1.13 Retirement benefits

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

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 56 (2017 - 53).

HALTON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

3 Taxation

	2018 £	2017 £
Deferred tax		
Origination and reversal of timing differences	4,753	(54,120)

4 Property, plant and equipment

	Leasehold improvements £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 July 2017	-	2,382	-	1,763	4,145
Additions	27,864	29,631	5,501	-	62,996
At 30 June 2018	27,864	32,013	5,501	1,763	67,141
Depreciation and impairment					
At 1 July 2017	-	30	-	1,763	1,793
Depreciation charged in the year	1,130	3,093	741	-	4,964
At 30 June 2018	1,130	3,123	741	1,763	6,757
Carrying amount					
At 30 June 2018	26,734	28,890	4,760	-	60,384
At 30 June 2017	-	2,352	-	-	2,352

Property, plant and equipment with a carrying amount of £60,384 (2017 - £2,352) have been pledged to secure liabilities of the company.

5 Fixed asset investments

	2018 £	2017 £
Investments	102	102

Financial assets pledged as collateral

Fixed asset investments with a carrying amount of £102 (2017: £102) have been pledged to secure the liabilities of the company.

HALTON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

6 Subsidiaries

Details of the company's subsidiaries at 30 June 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Halton Nominee Co 1 Limited	England and Wales	Dormant	Ordinary	100.00	
Halton Nominee Co 2 Limited	England and Wales	Dormant	Ordinary	100.00	
Hampton Care Limited	England and Wales	Residential care services	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit (Loss)	Capital and Reserves
	£	£
Halton Nominee Co 1 Limited	-	1
Halton Nominee Co 2 Limited	-	1
Hampton Care Limited	2,405	353,311

7 Trade and other receivables

	2018	2017
	£	£
Amounts falling due within one year:		
Trade receivables	118,023	67,574
Amounts owed by group undertakings	165,283	-
Other receivables	30,070	202,487
Prepayments and accrued income	61,903	23,157
	<u>375,279</u>	<u>293,218</u>
Deferred tax asset (note 9)	-	82
	<u>375,279</u>	<u>293,300</u>
	2018	2017
	£	£
Amounts falling due after more than one year:		
Deferred tax asset (note 9)	-	4,491
	<u>-</u>	<u>4,491</u>
Total debtors	<u>375,279</u>	<u>297,791</u>

The carrying amount of trade and other receivables includes £375,279 (2017: £297,791) pledged as security for liabilities.

HALTON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

8 Current liabilities

	2018 £	2017 £
Bank loans and overdrafts	1,821	-
Trade payables	33,266	59,846
Amounts due to group undertakings	154,947	123,887
Corporation tax	224	15
Other taxation and social security	22,864	20,191
Other payables	111,212	27,551
Accruals and deferred income	30,018	85,966
	<u>354,352</u>	<u>317,456</u>

9 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £	Assets 2018 £	Assets 2017 £
Balances:				
Accelerated capital allowances	180	-	-	458
Tax losses	-	-	-	4,115
	<u>180</u>	<u>-</u>	<u>-</u>	<u>4,573</u>
				2018 £
Movements in the year:				
Liability/(Asset) at 1 July 2017				(4,573)
Charge to profit or loss				4,753
				<u>180</u>
Liability at 30 June 2018				<u>180</u>

Of the deferred tax asset set out above, there is no expected reversal within 12 months.

10 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>6,709</u>	<u>3,873</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

HALTON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

11 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
2 Ordinary of £1 each	2	2
	<u>2</u>	<u>2</u>

Ordinary shares carry voting rights but have no right to fixed income or fixed repayments of capital.

12 Reserves

Revaluation reserve

The revaluation reserve represents the cumulative effect of revaluations of freehold land and buildings which are revalued to fair value.

Retained earnings

Retained earnings represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties, net of dividends paid and other adjustments.

13 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Michelle Pettifer.

The auditor was Morris Lane.

14 Financial commitments, guarantees and contingent liabilities

As at 30 June 2018 the company was party to a composite guarantee and debenture in respect of all liabilities due under the terms of the operating lease for the use of the property from which the company trades. Security is by way of a fixed charges over any freehold or leasehold property and other assets vested in the company and a floating charge over all assets, property and undertakings of the company both present and future. It is not practicable for an assessment of the financial effect to be ascertained as at the balance sheet date.

HALTON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

15 Operating lease commitments

Lessee

Operating lease payments include rentals payable by the company for the use of its business premises. This lease is for a maximum term of 22 years and 8 months and rentals are increased annually on an indexed basis, with upward rent review occurring in January 2025, and every 5 years thereafter. This lease contains a number of financial covenants which are tested on a systematic basis.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	141,484	108,304
Between two and five years	590,398	564,093
In over five years	240,242	453,379
	<u>972,124</u>	<u>1,125,776</u>

16 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2018 £	2017 £
Acquisition of property, plant and equipment	<u>23,496</u>	<u>22,748</u>

17 Related party transactions

Remuneration of key management personnel

	2018 £	2017 £
Aggregate compensation	<u>-</u>	<u>16,667</u>

Transactions with related parties

During the year the company entered into the following transactions with related parties:

HALTON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

17 Related party transactions

(Continued)

	Sale of property and other assets		Charitable donations made	
	2018	2017	2018	2017
	£	£	£	£
Other related parties	-	2,020,483	-	625,823
	<u>-</u>	<u>2,020,483</u>	<u>-</u>	<u>625,823</u>
	<u>-</u>	<u>2,020,483</u>	<u>-</u>	<u>625,823</u>

Sales of property and other assets to related parties were conducted on a normal commercial basis.

The following amounts were outstanding at the reporting end date:

	2018	2017
	£	£
Amounts owed to related parties		
Entities with control, joint control or significant influence over the company	154,945	117,396
Entities over which the entity has control, joint control or significant influence	2	6,491
	<u>154,947</u>	<u>123,887</u>

The following amounts were outstanding at the reporting end date:

	2018
	Balance
	£
Amounts owed by related parties	
Entities over which the entity has control, joint control or significant influence	165,283
	<u>165,283</u>
	2017
	Balance
	£
Amounts owed in previous period	
Other related parties	172,482
	<u>172,482</u>

Included within sales of property and other assets for the period ended 30 June 2017 is an amount of £2,020,483 relating to the transfer of the freehold property, goodwill and chattels to a company which was formerly a fellow subsidiary of the company.

HALTON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

18 Directors' transactions

Dividends totalling £0 (2017 - £663,000) were paid in the year in respect of shares held by the company's directors.

19 Parent company

The ultimate parent company is Canford Healthcare Limited, whose registered office is Russell House, Oxford Road, Bournemouth, Dorset, BH8 8EX.

The ultimate controlling party is Mr B Cooney by virtue of his 60% holding of the issued share capital in Canford Healthcare Limited.

The smallest and largest group into which the company is consolidated is Canford Healthcare Limited.

20 Comparatives

Comparative figures shown are for the period from 1 April 2016 to 30 June 2017 and therefore are not entirely comparable with the current period from 1 July 2017 to 30 June 2018. The reason for extending the previous financial period was to align the accounting reference date of the ultimate parent company post acquisition.