

Company Registration No. 03148789 (England and Wales)

**ABBOTSOUND LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2016**



# ABBOTSOUND LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	M L Hampson M J Hampson N G Waring
<b>Secretary</b>	Mr M Hampson
<b>Company number</b>	03148789
<b>Registered office</b>	The Links Resource Centre 21 Cromwell Avenue Eccles Manchester M30 0QT
<b>Auditor</b>	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT
<b>Business address</b>	The Links Resource Centre 21 Cromwell Avenue Eccles Manchester M30 0QT
<b>Bankers</b>	Barclays Bank plc 51 Mosley Street Manchester M60 2AU
<b>Solicitors</b>	Bermans LLP Cardinal House 20 St Marys Parsonage Manchester M3 2LY

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# **ABBOTSOUND LIMITED**

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# ABBOTSOUND LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 APRIL 2016**

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The directors present the strategic report for the year ended 30 April 2016.

### **Fair review of the business**

The directors are satisfied with the performance of the business during the year.

### **Principal risks and uncertainties**

The principal risks and uncertainties facing the company include ensuring a high standard of care is being provided to all Day centre, Respite unit and Domiciliary clients. Rigorous checks are performed on a daily basis as per CQC regulations to ensure that the company's care standards remain current and to a high standard. There is low exposure to bad debt due to the type of clients. Payment is predominantly made by Local Authorities and there are tight control procedures in place.

### **Development and performance**

The directors are satisfied with the company's position at the year end which shows a strong net current asset position.

No events have occurred since the balance sheet date which significantly affect the company.


### **Key performance indicators**

During the year turnover increased by 6.9%, and the gross margin has decreased to 50.7% from 54.9%.

The directors continue to monitor the utilisation of the care facilities on a daily basis.

In all cases these KPIs have been calculated on a consistent basis with the 2015 figures and are based directly on the amounts shown in the financial statements.

On behalf of the board



M L Hampson

Director

27/1/17

# **ABBOTSOUND LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 APRIL 2016**

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The directors present their annual report and financial statements for the year ended 30 April 2016.

#### **Principal activities**

The principal activities of the company during the year were that of managing premises, providing and running care homes.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M L Hampson  
M J Hampson  
N G Waring

#### **Results and dividends**

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

An interim preference dividend was paid amounting to £39,900. The directors do not recommend payment of a final preference dividend.

#### **Financial instruments**

The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from its trading activities which are only conducted in sterling. The company does not enter into any hedging transaction.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

# ABBOTSOUND LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2016**

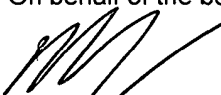
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### Going concern

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

Further details regarding the adoption of the going concern basis are disclosed in the accounting policies.

On behalf of the board



M L Hampson

Director

27/11/17

# **ABBOTSOUND LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBOTSOUND LIMITED**

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We have audited the financial statements of Abbotsound Limited for the year ended 30 April 2016 set out on pages 6 to 22. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor's 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 auditor**

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Basis of qualified opinion on the financial statements**

With respect to trade debtors having a carrying value of £241,472 and trade creditors with a carrying value of £134,394 the audit evidence available to us was limited because the accounting records were inadequate for our purposes. This also affected our ability to audit certain expenses. As a result we were unable to obtain sufficient appropriate audit evidence regarding these balances and expenses.

### **Qualified opinion on financial statements**

Except for the financial effects of the matter described in the basis of qualified opinion paragraph, in our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2016 and of its loss 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 matters prescribed by the Companies Act 2006**

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

# ABBOTSOUND LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ABBOTSOUND LIMITED

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

In respect solely of the limitation on our work relating to trade debtors, trade creditors and expenses:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit;
- adequate accounting records had not been maintained.

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:

- 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.



Michael Wasinski (Senior Statutory Auditor)  
for and on behalf of UHY Hacker Young Manchester LLP

27/1/17

Chartered Accountants  
Statutory Auditor

St James Building  
79 Oxford Street  
Manchester  
M1 6HT



# ABBOTSOUND LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 30 APRIL 2016**

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		2016	2015
	Notes	£	£
Turnover	3	1,455,205	1,360,861
Cost of sales		(721,692)	(613,439)
<b>Gross profit</b>		<b>733,513</b>	<b>747,422</b>
Administrative expenses		(646,617)	(486,999)
<b>Operating profit</b>	4	<b>86,896</b>	<b>260,423</b>
Interest payable and similar charges	7	(92,378)	(80,277)
<b>(Loss)/profit before taxation</b>		<b>(5,482)</b>	<b>180,146</b>
Taxation	8	(35,246)	(66,586)
<b>(Loss)/profit for the financial year</b>	21	<b>(40,728)</b>	<b>113,560</b>

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

# ABBOTSOUND LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

**FOR THE YEAR ENDED 30 APRIL 2016**

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	2016 £	2015 £
(Loss)/profit for the year	(40,728)	113,560
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(40,728)</u>	<u>113,560</u>

# ABBOTSOUND LIMITED

## BALANCE SHEET

AS AT 30 APRIL 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	9	3,057,884		3,162,569	
Investments	10		1		1
		<u>3,057,885</u>		<u>3,162,570</u>	
<b>Current assets</b>					
Debtors	13	3,971,559		3,899,609	
Cash at bank and in hand		9,802		258	
		<u>3,981,361</u>		<u>3,899,867</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(1,494,405)</u>		<u>(1,310,615)</u>	
<b>Net current assets</b>		<u>2,486,956</u>		<u>2,589,252</u>	
<b>Total assets less current liabilities</b>		<u>5,544,841</u>		<u>5,751,822</u>	
<b>Creditors: amounts falling due after more than one year</b>	15	(1,782,940)		(1,944,004)	
<b>Provisions for liabilities</b>	17	(33,253)		(38,442)	
<b>Net assets</b>		<u><u>3,728,648</u></u>		<u><u>3,769,376</u></u>	
<b>Capital and reserves</b>					
Called up share capital	19	750		750	
Capital redemption reserve	20	145,000		145,000	
Profit and loss reserves	21	3,582,898		3,623,626	
<b>Total equity</b>		<u><u>3,728,648</u></u>		<u><u>3,769,376</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 27/11/17 and are signed on its behalf by:

  
M L Hampson  
Director

Company Registration No. 03148789

# ABBOTSOUND LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2016

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 May 2014</b>		750	145,000	3,510,066	3,655,816
<b>Year ended 30 April 2015:</b>					
Profit and total comprehensive income for the year		-	-	113,560	113,560
<b>Balance at 30 April 2015</b>		750	145,000	3,623,626	3,769,376
<b>Year ended 30 April 2016:</b>					
Loss and total comprehensive income for the year		-	-	(40,728)	(40,728)
<b>Balance at 30 April 2016</b>		750	145,000	3,582,898	3,728,648

# ABBOTSOUND LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2016

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25	328,734		390,766	
Interest paid		(92,378)		(80,277)	
Income taxes paid		(65,538)		(89,097)	
<b>Net cash inflow from operating activities</b>		<b>170,818</b>		<b>221,392</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(61,956)		(623,983)	
Proceeds on disposal of tangible fixed assets		-		2,000	
<b>Net cash used in investing activities</b>		<b>(61,956)</b>		<b>(621,983)</b>	
<b>Financing activities</b>					
Proceeds of new bank loans		-		630,240	
Repayment of bank loans		(159,964)		(247,131)	
Payment of finance leases obligations		-		(1,417)	
<b>Net cash (used in)/generated from financing activities</b>		<b>(159,964)</b>		<b>381,692</b>	
<b>Net decrease in cash and cash equivalents</b>		<b>(51,102)</b>		<b>(18,899)</b>	
Cash and cash equivalents at beginning of year		(115,092)		(96,193)	
<b>Cash and cash equivalents at end of year</b>		<b>(166,194)</b>		<b>(115,092)</b>	
<b>Relating to:</b>					
Cash at bank and in hand		9,802		258	
Bank overdrafts included in creditors payable within one year		(175,996)		(115,350)	

# ABBOTSOUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 APRIL 2016

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#### 1 Accounting policies

##### Company information

Abbotsound Limited is a company limited by shares incorporated in England and Wales. The registered office is The Links Resource Centre, 21 Cromwell Avenue, Eccles, Manchester, M30 0QT.

##### 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.

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. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 April 2016 are the first financial statements of Abbotsound Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 May 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

##### 1.2 Going concern

The financial statements have been prepared under the going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

The company is reliant on the support of its bankers and the agreed facility. The directors believe the company will generate sufficient cash to remain within the terms of the facility. Should the facility be withdrawn and an alternative not secured then the company would not have sufficient financing to enable it to continue as a going concern. The financial statements do not include any adjustments that would result should continuing support cease to be made available by the bank.

The directors believe that it is appropriate for the financial statements to be prepared on a going concern basis.

##### 1.3 Turnover

Turnover represents amounts receivable for the management of premises, providing and running care homes net of discounts.

##### 1.4 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings freehold	2% straight line
Land and buildings leasehold	10% straight line
Fixtures and fittings	10 - 15% reducing balance
Motor vehicles	25% reducing balance

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.

# ABBOTSOUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

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### 1 Accounting policies

(Continued)

#### 1.5 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.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

#### 1.7 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.

#### 1.8 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 balance sheet 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.

# ABBOTSOUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

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#### 1 Accounting policies

(Continued)

##### ***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.

##### ***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 receipts 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.

##### ***Derecognition of financial liabilities***

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

#### 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.



# ABBOTSOUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

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#### 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 profit and loss account 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 profit and loss account, 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 Preference shares classed as a liability

Preference shares that provide for mandatory redemption by the company for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the company to redeem the instrument at or after a particular date for a fixed or determinable amount are classed as a financial liability. Declared dividends are included in other finance costs.

#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# ABBOTSOUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
<b>Turnover</b>		
Residents fees	1,107,591	1,110,937
Rental and other income	347,614	249,924
	<u>1,455,205</u>	<u>1,360,861</u>

#### Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	<u>1,455,205</u>	<u>1,360,861</u>

### 4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	5,000	7,800
Depreciation of owned tangible fixed assets	130,041	112,157
Loss on disposal of tangible fixed assets	<u>36,600</u>	<u>1,471</u>

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Nursing/daycare staff	54	51
Directors	<u>3</u>	<u>3</u>
	<u>57</u>	<u>54</u>

# ABBOTSOUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

5 Employees	(Continued)	
Their aggregate remuneration comprised:	2016 £	2015 £
Wages and salaries	807,450	674,957
Social security costs	38,790	38,738
	<u>846,240</u>	<u>713,695</u>
6 Directors' remuneration	2016 £	2015 £
Remuneration for qualifying services	<u>68,600</u>	<u>8,126</u>
7 Interest payable and similar charges	2016 £	2015 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	35,623	32,828
Interest on finance leases and hire purchase contracts	-	206
Dividends on redeemable preference shares not classified as equity	39,900	39,900
	<u>75,523</u>	<u>72,934</u>
<b>Other finance costs:</b>		
Other interest	16,855	7,343
	<u>92,378</u>	<u>80,277</u>
8 Taxation	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	40,435	56,445
Adjustments in respect of prior periods	-	(1,840)
Total current tax	<u>40,435</u>	<u>54,605</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(5,189)</u>	<u>11,981</u>
Total tax charge	<u>35,246</u>	<u>66,586</u>

# ABBOTSOUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

#### 8 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
(Loss)/profit before taxation	(5,482)	180,146
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	(1,096)	36,029
Tax effect of expenses that are not deductible in determining taxable profit	11,124	8,378
Depreciation in excess of capital allowances	30,407	12,019
Adjustments to previous periods	-	(1,840)
Other tax adjustments	-	19
Deferred tax movement	(5,189)	11,981
Taxation for the year	35,246	66,586

#### 9 Tangible fixed assets

	Land and buildings freehold £	Land and buildings leasehold £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 May 2015	5,018,394	150,000	310,641	14,200	5,493,235
Additions	50,058	-	11,898	-	61,956
Disposals	(60,000)	-	-	-	(60,000)
At 30 April 2016	5,008,452	150,000	322,539	14,200	5,495,191
<b>Depreciation and impairment</b>					
At 1 May 2015	2,070,430	150,000	102,765	7,471	2,330,666
Depreciation charged in the year	101,369	-	26,990	1,682	130,041
Eliminated in respect of disposals	(23,400)	-	-	-	(23,400)
At 30 April 2016	2,148,399	150,000	129,755	9,153	2,437,307
<b>Carrying amount</b>					
At 30 April 2016	2,860,053	-	192,784	5,047	3,057,884
At 30 April 2015	2,947,964	-	207,876	6,729	3,162,569

# ABBOTSOUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

### 10 Fixed asset investments

	Notes	2016 £	2015 £
Investments in subsidiaries	11	1	1

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 May 2015 & 30 April 2016	1
<b>Carrying amount</b>	
At 30 April 2016	1
At 30 April 2015	1

### 11 Subsidiaries

Details of the company's subsidiaries at 30 April 2016 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held Direct Indirect
Abbotsound Developments Limited	England and Wales Building construction and development	Ordinary	100.00

### 12 Financial instruments

	2016 £	2015 £
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	2,120,030	2,219,348

### 13 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	241,472	153,317
Corporation tax recoverable	3,824	3,824
Amount due from parent undertaking	3,632,096	3,632,096
Other debtors	70,585	69,019
Prepayments and accrued income	23,502	41,353
	3,971,559	3,899,609

# ABBOTSOUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

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

	Notes	2016 £	2015 £
Bank loans and overdrafts	16	337,090	275,344
Trade creditors		134,394	48,511
Corporation tax		98,012	123,115
Other taxation and social security		119,047	36,543
Other creditors		726,378	800,425
Accruals and deferred income		79,484	26,677
		<u>1,494,405</u>	<u>1,310,615</u>

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

	Notes	2016 £	2015 £
Bank loans and overdrafts	16	1,117,940	1,279,004
Other borrowings	16	665,000	665,000
		<u>1,782,940</u>	<u>1,944,004</u>

### 16 Loans and overdrafts

	2016 £	2015 £
Bank loans	1,279,034	1,438,998
Bank overdrafts	175,996	115,350
Preference shares	665,000	665,000
	<u>2,120,030</u>	<u>2,219,348</u>
Payable within one year	337,090	275,344
Payable after one year	<u>1,782,940</u>	<u>1,944,004</u>

There are two long-term loans are secured by land charges over the properties of the company and a cross guarantee between Abbotsound Limited, Abbotsound Developments Limited and Positive Lifestyles Limited.

Details of the loans are :

Barclays loan 1 - balance at year end of £579,430 - interest rate of 2.8% over LIBOR - repayable in quarterly instalments, with the final balance due in October 2019.

Barclays loan 2 - balance at year end of £699,604 - interest rate of 1.5% over LIBOR - repayable in quarterly instalments, with the final balance due in August 2021.

# ABBOTSOUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 16 Loans and overdrafts

(Continued)

The 6% cumulative redeemable preference shares have the right to a fixed dividend of 6% per annum payable monthly. On any winding up of the company they are entitled to a repayment of capital and any unpaid dividends in priority to the holders of ordinary shares but have no right to any surplus of profits or assets. The holders of the 6% cumulative redeemable preference shares have no right to attend or vote at any general meeting unless any dividends are in arrears or a resolution affecting the rights of the shares is discussed.

### 17 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	18	33,253	38,442
		<u>33,253</u>	<u>38,442</u>

### 18 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 2016 £	Liabilities 2015 £
<b>Balances:</b>		
Accelerated capital allowances	<u>33,253</u>	<u>38,442</u>
<b>Movements in the year:</b>		2016 £
Liability at 1 May 2015		38,442
Credit to profit or loss		<u>(5,189)</u>
Liability at 30 April 2016		<u>33,253</u>

None of the deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 19 Share capital

	2016 £	2015 £
<b>Ordinary share capital Issued and fully paid</b>		
750 Ordinary shares of £1 each	<u>750</u>	<u>750</u>

### 20 Capital redemption reserve

The capital redemption reserve is a non-distributable reserve and represents paid up share capital.

# ABBOTSOUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

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#### 21 Profit and loss reserves

The profit and loss account includes all realised current and prior period retained profit and losses.

#### 22 Financial commitments, guarantees and contingent liabilities

The company has in place a cross guarantee dated 30 March 2005 in favour of Abbotsound Developments Limited and Positive Lifestyles Limited in respect of bank borrowings. At the year end the maximum potential liability under the guarantee amounted to £nil (2015 - £6,327).

#### 23 Related party transactions

The directors of the company are considered to be the key management personnel. Directors remuneration is disclosed in note 6.

The company has taken advantage of the exemption available in FRS102 s.33 1A whereby it has not disclosed transactions with its 100% parent.

L and L C Hampson are related to the company as parents of M J and M L Hampson. Included in other creditors is a balance of £484,697 (2015 £509,047) due to L and L C Hampson.

The company is related to Positive Lifestyles Limited by virtue of common directors. During the year the company received rental income and service charges amounting to £344,246 (2015 £245,351) from Positive Lifestyles Limited. The transactions were carried out on normal commercial terms. Creditors include balances amounting to £146,468 (2015 £175,294) due to Positive Lifestyles Limited.

The company is related to Insite Construction NW Limited (formerly Volcare Limited) by virtue of common directors and shareholders. Debtors include balances amounting to £38,581 (2015 £38,581) due from Insite Construction NW Limited.

During the year the company paid dividends on the redeemable preference shares of £39,900 (2015 £39,900) to the Trustees of Ashbridge 1 Limited SIPP, a scheme in which L Hampson and L C Hampson are both trustees and beneficiaries.

No guarantees have been given or received.

#### 24 Controlling party

The immediate and ultimate parent company is Abbotsound Investments Limited, a company registered in England and Wales.

In the opinion of the directors there is no ultimate controlling party.



# ABBOTSOUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2016**

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### **25 Cash generated from operations**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
(Loss)/profit for the year after tax	(40,728)	113,560
<b>Adjustments for:</b>		
Taxation charged	35,246	66,586
Finance costs	92,378	80,277
Loss on disposal of tangible fixed assets	36,600	1,471
Depreciation and impairment of tangible fixed assets	130,041	112,157
<b>Movements in working capital:</b>		
(Increase) in debtors	(71,950)	(24,216)
Increase in creditors	147,147	40,931
<b>Cash generated from operations</b>	<u>328,734</u>	<u>390,766</u>