

Registration number: 03233854

Absolute Care Homes (Central) Limited

Annual Report and Financial Statements

for the Year Ended 30 April 2017

Wall and Partners
Chartered Accountants and Statutory Auditors
3 & 5 Commercial Gate
Mansfield
Nottinghamshire
NG18 1EJ

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Absolute Care Homes (Central) Limited

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Absolute Care Homes (Central) Limited

Company Information

Director Dr M S Pawar

Company secretary Mrs J K Pawar

Registered office 3 & 5 Commercial Gate
Mansfield
Nottinghamshire
NG18 1EJ

Solicitors Squire Patton Boggs (UK) Llp
Rutland House
148 Edmund Street
Birmingham
B3 2JR

Auditors Wall and Partners
Chartered Accountants and Statutory Auditors
3 & 5 Commercial Gate
Mansfield
Nottinghamshire
NG18 1EJ

Absolute Care Homes (Central) Limited

Strategic Report for the Year Ended 30 April 2017

The director presents his strategic report for the year ended 30 April 2017.

Principal activity

The principal activity of the company is property development and the provision of health care for the elderly.

Fair review of the business

A summary of the results for the period is given on page 7 of the Financial Statements.

The Company's principal trade is the operation of a care home. In respect of its trading activities as a care home during the year ended 30 April 2017 fees received increased by £465,476 over that achieved in the year ended 30 April 2016, an increase of 15%.

Changes in tangible fixed assets during the year are set out in note 13 of the Financial Statements.

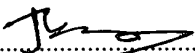
The company's key financial and other performance indicators during the year were as follows:

	<u>Unit</u>	<u>2017</u>	<u>2016</u>
Average weekly fees per resident	£	1,019	907
Direct payroll costs as a % of fees received	%	52	57
Direct non payroll costs as a % of fees received	%	5	6

Principal risks and uncertainties

High quality care and high quality general health and safety standards need to be maintained to ensure the Company mitigates risks and uncertainties and continues to be successful. It is the Company's aim to continue to meet and exceed statutory requirements through rigorous monitoring procedures and careful vetting and training of staff.

Approved by the Board on 26/11/18 and signed on its behalf by:


.....
Mrs J-K Pawar
Company secretary

Absolute Care Homes (Central) Limited

Director's Report for the Year Ended 30 April 2017

The director presents his report and the financial statements for the year ended 30 April 2017.

Director of the company

The director who held office during the year was as follows:

Dr M S Pawar

Financial instruments

Objectives and policies

The Company's principal financial instruments comprise bank balances, a bank loan, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for, and to finance, the Company's operations.

Price risk, credit risk, liquidity risk and cash flow risk

Due to the nature of the financial instruments used by the Company there is no exposure to price risk. The Company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances and bank loans the liquidity risk is managed by maintaining positive bank balances and ensuring loan repayments are met and covenants are not breached.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning each resident in the Company's care and each debt owed and the regular monitoring of amounts outstanding for both time and credit allowed.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.


Future developments

HM Revenue & Customs have granted permission for a group reconstruction whereby the undeveloped freehold properties will be transferred to new companies leaving the company purely operating a single care home. In preparation of this the properties have been revalued based on advice received by the director.

Disclosure of information to the auditors

The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditors are unaware.

Approved by the Board on26.11.18..... and signed on its behalf by:

.....
Mrs J K Pawar
Company secretary

Absolute Care Homes (Central) Limited

Statement of Director's Responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Absolute Care Homes (Central) Limited

Independent Auditor's Report

We have audited the financial statements of Absolute Care Homes (Central) Limited for the year ended 30 April 2017 which consist of the profit and loss account, balance sheet, cash flow statement and related notes, set out on pages 7 to 21. 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 the director and auditor

As explained more fully in the Statement of Director's Responsibilities (set out on page 4), the director is 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 (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 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.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2017 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Director's Report have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

In our opinion the Strategic Report and Director's Report for the financial year for which the financial statements are prepared have been prepared in accordance with applicable legal requirements.

Absolute Care Homes (Central) Limited

Independent Auditor's Report

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.



.....
Simon Robinson FCA (Senior Statutory Auditor)
For and on behalf of Wall and Partners, Statutory Auditor

Chartered Accountants and Statutory Auditors
3 & 5 Commercial Gate
Mansfield
Nottinghamshire
NG18 1EJ

Date:.....29/1/2018

Absolute Care Homes (Central) Limited

Profit and Loss Account for the Year Ended 30 April 2017

		<u>Continuing</u>	<u>Discontinued</u>	<u>Total</u>	<u>Continuing</u>	<u>Discontinued</u>	<u>Total</u>
		<u>operations</u>	<u>operations</u>	<u>2017</u>	<u>operations</u>	<u>operations</u>	<u>2016</u>
		<u>2017</u>	<u>2017</u>		<u>2016</u>	<u>2016</u>	
	<u>Note</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Turnover	3	3,625,998	-	3,625,998	3,160,522	106,350	3,266,872
Cost of sales		(2,046,945)	-	(2,046,945)	(1,982,245)	-	(1,982,245)
Gross profit		<u>1,579,053</u>	<u>-</u>	<u>1,579,053</u>	<u>1,178,277</u>	<u>106,350</u>	<u>1,284,627</u>
Administrative expenses		(733,712)	-	(733,712)	(368,153)	650,011	281,858
Other operating income	4	-	-	-	547	-	547
Operating profit	6	845,341	-	845,341	810,671	756,361	1,567,032
Other interest receivable and similar income	7	1,766	-	1,766	672	-	672
Interest payable and similar charges	8	(57,022)	-	(57,022)	(74,442)	-	(74,442)
		<u>(55,256)</u>	<u>-</u>	<u>(55,256)</u>	<u>(73,770)</u>	<u>-</u>	<u>(73,770)</u>
Profit before tax		<u>790,085</u>	<u>-</u>	<u>790,085</u>	<u>736,901</u>	<u>756,361</u>	<u>1,493,262</u>
Taxation	11	(236,433)	-	(236,433)	(153,414)	(89,015)	(242,429)
Profit for the financial year		<u>553,652</u>	<u>-</u>	<u>553,652</u>	<u>583,487</u>	<u>667,346</u>	<u>1,250,833</u>

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 12 to 21 form an integral part of these financial statements.

Absolute Care Homes (Central) Limited

Statement of Comprehensive Income for the Year Ended 30 April 2017

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Profit for the year	553,652	1,250,833
(Realisation of surplus)/surplus on property revaluation	<u>238,622</u>	<u>(579,252)</u>
Total comprehensive income for the year	<u><u>792,274</u></u>	<u><u>671,581</u></u>

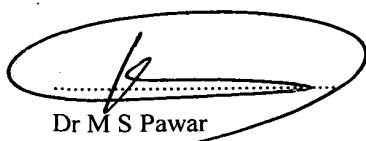
Absolute Care Homes (Central) Limited

(Registration number: 03233854)

Balance Sheet as at 30 April 2017

	<u>Note</u>	<u>2017</u> <u>£</u>	<u>2016</u> <u>£</u>
<u>Fixed assets</u>			
Tangible assets	13	5,107,733	5,365,662
<u>Current assets</u>			
Stocks	14	500	500
Debtors	15	1,243,301	857,637
Cash at bank and in hand	16	2,662,910	3,005,007
		<u>3,906,711</u>	<u>3,863,144</u>
Creditors: Amounts falling due within one year	17	<u>(687,154)</u>	<u>(1,557,521)</u>
Net current assets		<u>3,219,557</u>	<u>2,305,623</u>
Total assets less current liabilities		<u>8,327,290</u>	<u>7,671,285</u>
Creditors: Amounts falling due after more than one year	17	<u>(2,340,287)</u>	<u>(2,474,915)</u>
Provisions for liabilities	18	<u>(34,834)</u>	<u>(36,475)</u>
Net assets		<u>5,952,169</u>	<u>5,159,895</u>
<u>Capital and reserves</u>			
Called up share capital	20	225,000	225,000
Revaluation reserve		238,622	-
Profit and loss account		<u>5,488,547</u>	<u>4,934,895</u>
Total equity		<u>5,952,169</u>	<u>5,159,895</u>

Approved and authorised by the director on26/11/18.....



Dr M S Pawar

Director

The notes on pages 12 to 21 form an integral part of these financial statements.

Absolute Care Homes (Central) Limited

Statement of Changes in Equity for the Year Ended 30 April 2017

	<u>Share capital</u>	<u>Revaluation</u>	<u>Profit and loss</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 1 May 2016	225,000	-	4,934,895	5,159,895
Profit for the year	-	-	553,652	553,652
Other comprehensive income	-	238,622	-	238,622
Total comprehensive income	-	238,622	553,652	792,274
At 30 April 2017	225,000	238,622	5,488,547	5,952,169
	<u>Share capital</u>	<u>Revaluation</u>	<u>Profit and loss</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 1 May 2015	225,000	579,252	3,684,062	4,488,314
Profit for the year	-	-	1,250,833	1,250,833
Other comprehensive income	-	(579,252)	-	(579,252)
Total comprehensive income	-	(579,252)	1,250,833	671,581
At 30 April 2016	225,000	-	4,934,895	5,159,895

The notes on pages 12 to 21 form an integral part of these financial statements.

Absolute Care Homes (Central) Limited

Statement of Cash Flows for the Year Ended 30 April 2017

	<u>Note</u>	<u>2017</u> <u>£</u>	<u>2016</u> <u>£</u>
<u>Cash flows from operating activities</u>			
Profit for the year		553,652	1,250,833
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	445,395	73,290
Profit from sales of investment properties	5	-	(650,011)
Finance income	7	(1,766)	(672)
Finance costs	8	57,022	74,442
Corporation tax expense	11	236,433	242,429
		<u>1,290,736</u>	<u>990,311</u>
Working capital adjustments			
Increase in debtors	15	(385,664)	(697,415)
(Decrease)/increase in creditors	17	(878,192)	547,951
Cash generated from operations		<u>26,880</u>	<u>840,847</u>
Corporation taxes paid	11	(241,609)	(208,429)
Net cash flow from operating activities		(214,729)	632,418
<u>Cash flows from investing activities</u>			
Interest received	7	1,766	672
Acquisitions of tangible assets		51,156	(34,190)
Proceeds from sale of investment properties		-	2,003,429
Net cash flows from investing activities		<u>52,922</u>	<u>1,969,911</u>
<u>Cash flows from financing activities</u>			
Interest paid	8	(57,022)	(74,442)
Proceeds from bank borrowing draw downs		2,537,387	-
Repayment of bank borrowing		(2,660,655)	(180,789)
Net cash flows from financing activities		<u>(180,290)</u>	<u>(255,231)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(342,097)</u>	<u>2,347,098</u>
Cash and cash equivalents at 1 May 2016		<u>3,005,007</u>	<u>657,909</u>
Cash and cash equivalents at 30 April 2017	16	<u>2,662,910</u>	<u>3,005,007</u>

The notes on pages 12 to 21 form an integral part of these financial statements.

Absolute Care Homes (Central) Limited

Notes to the Financial Statements for the Year Ended 30 April 2017

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

3 & 5 Commercial Gate
Mansfield
Nottinghamshire
NG18 1EJ

The principal place of business is:

Cherry Croft
Squirrel Walk
Little Aston Park
Sutton Coldfield
West Midlands
B74 3AU

Authorised for issue date

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The Company's financial statements are presented in sterling and all values are rounded to the nearest pound.

Key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions made in respect of the useful economic lives of tangible fixed assets and the recoverable value of trade debtors do not pose a significant risk of causing a material adjustment to the carrying amounts of these assets within the next financial year. No other significant estimates or assumptions are made.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, rebates and discounts.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Absolute Care Homes (Central) Limited

Notes to the Financial Statements for the Year Ended 30 April 2017

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred corporation tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred corporation tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, over their estimated useful lives as follows:

<u>Asset class</u>	<u>Depreciation method and rate</u>
Freehold property	1% straight line basis (from commencement of use)
Plant and machinery	20% reducing balance basis
Fixtures and fittings	15% reducing balance basis

Investment property

Property held for long term investment was sold in the previous accounting period. The Company no longer holds any properties for long term investment.

Goodwill

Following the acquisition of the House on the Hill Care Home an impairment review was carried out during the year ended 30 April 2013. As the decision had been taken to close down operations the goodwill on acquisition was written off during the year ended 30 April 2013.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Absolute Care Homes (Central) Limited

Notes to the Financial Statements for the Year Ended 30 April 2017

Stocks

Stocks are stated at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO) method.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Absolute Care Homes (Central) Limited

Notes to the Financial Statements for the Year Ended 30 April 2017

3 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Care home residents fees	3,625,998	3,160,522
Rental income from investment property	-	106,350
	<u>3,625,998</u>	<u>3,266,872</u>

4 Other operating income

The analysis of the Company's other operating income for the year is as follows:

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Miscellaneous other operating income	-	547

5 Other gains and losses

The analysis of the Company's other gains and losses for the year is as follows:

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Gain from sales of investment properties	-	650,011

6 Operating profit

Arrived at after charging/(crediting)

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Depreciation expense	445,395	73,290
Gain from sale of investment properties	-	(650,011)

Absolute Care Homes (Central) Limited

Notes to the Financial Statements for the Year Ended 30 April 2017

7 Other interest receivable and similar income

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Interest income on bank deposits	1,766	662
Other finance income	-	10
	<u>1,766</u>	<u>672</u>

8 Interest payable and similar expenses

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Interest on bank overdrafts and borrowings	6,348	-
Interest expense on bank loans	50,674	74,442
	<u>57,022</u>	<u>74,442</u>

9 Staff costs

The aggregate payroll costs (including director's remuneration) were as follows:

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Wages and salaries	1,706,558	1,500,329
Social security costs	114,013	96,830
Pension costs - defined contribution scheme	9,620	1,423
Other employee expense	11,988	1,833
	<u>1,842,179</u>	<u>1,600,415</u>

The average number of persons employed by the company (including the director) during the year, analysed by category was as follows:

	<u>2017</u>	<u>2016</u>
	<u>No.</u>	<u>No.</u>
Direct staff	119	110
Management	3	3
	<u>122</u>	<u>113</u>

10 Auditors' remuneration

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Audit of the financial statements	7,920	9,600
<u>Other fees to auditors</u>		
All other non-audit services	<u>11,570</u>	<u>8,350</u>

Absolute Care Homes (Central) Limited

Notes to the Financial Statements for the Year Ended 30 April 2017

11 Taxation

Tax charged/(credited) in the income statement:

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
<u>Current taxation</u>		
UK corporation tax	238,074	241,609
<u>Deferred taxation</u>		
Arising from origination and reversal of timing differences	(1,641)	820
Tax expense in the income statement	<u>236,433</u>	<u>242,429</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2016 - lower than the standard rate of corporation tax in the UK) of 19.92% (2016 - 20%).

The differences are reconciled below:

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Profit before tax	<u>790,085</u>	<u>1,493,262</u>
Corporation tax at standard rate	157,368	298,652
Effect of expense not deductible in determining taxable profit	80,898	6,034
Deferred tax expense (credit) relating to changes in tax rates or laws	(1,823)	-
Tax decrease from effect of indexation allowance on capital gains	-	(62,257)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(10)</u>	<u>-</u>
Total tax charge	<u>236,433</u>	<u>242,429</u>

12 Intangible assets

	<u>Goodwill</u>	<u>Total</u>
	<u>£</u>	<u>£</u>
<u>Cost or valuation</u>		
At 1 May 2016	<u>287,492</u>	<u>287,492</u>
At 30 April 2017	<u>287,492</u>	<u>287,492</u>
<u>Amortisation</u>		
At 1 May 2016	<u>287,492</u>	<u>287,492</u>
At 30 April 2017	<u>287,492</u>	<u>287,492</u>
<u>Carrying amount</u>		
At 30 April 2017	<u>-</u>	<u>-</u>

Absolute Care Homes (Central) Limited

Notes to the Financial Statements for the Year Ended 30 April 2017

13 Tangible assets

	<u>Land and buildings</u> £	<u>Furniture, fittings and equipment</u> £	<u>Plant and equipment</u> £	<u>Total</u> £
<u>Cost or valuation</u>				
At 1 May 2016	5,273,649	367,434	135,363	5,776,446
Revaluations	238,622	-	-	238,622
Additions	(64,101)	12,721	224	(51,156)
At 30 April 2017	<u>5,448,170</u>	<u>380,155</u>	<u>135,587</u>	<u>5,963,912</u>
<u>Depreciation</u>				
At 1 May 2016	137,453	177,776	95,555	410,784
Charge for the year	30,840	30,292	7,996	69,128
Impairment	376,267	-	-	376,267
At 30 April 2017	<u>544,560</u>	<u>208,068</u>	<u>103,551</u>	<u>856,179</u>
<u>Carrying amount</u>				
At 30 April 2017	<u>4,903,610</u>	<u>172,087</u>	<u>32,036</u>	<u>5,107,733</u>
At 30 April 2016	<u>5,136,196</u>	<u>189,658</u>	<u>39,808</u>	<u>5,365,662</u>

Included within the net book value of land and buildings above is £4,903,610 (2016 - £5,136,196) in respect of freehold land and buildings.

14 Stocks

	<u>2017</u> £	<u>2016</u> £
Consumables	<u>500</u>	<u>500</u>

15 Debtors

	<u>2017</u> £	<u>2016</u> £
Trade debtors	315,693	189,676
Other debtors	905,706	651,218
Prepayments	21,902	16,743
	<u>1,243,301</u>	<u>857,637</u>

Absolute Care Homes (Central) Limited

Notes to the Financial Statements for the Year Ended 30 April 2017

16 Cash and cash equivalents

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Cash on hand	160	155
Cash at bank	1,530,077	210,340
Short-term deposits	1,132,673	2,794,512
	<u><u>2,662,910</u></u>	<u><u>3,005,007</u></u>

17 Creditors

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
<u>Due within one year</u>		
Loans and borrowings	21 197,100	185,740
Trade creditors	75,081	110,739
Amounts due to related parties	22 -	695,386
Social security and other taxes	24,466	30,585
Other payables	742	102,486
Accrued expenses	151,691	190,976
Corporation tax liability	11 238,074	241,609
	<u><u>687,154</u></u>	<u><u>1,557,521</u></u>
<u>Due after one year</u>		
Loans and borrowings	21 2,340,287	2,474,915

18 Deferred tax and other provisions

	<u>Deferred tax</u>	<u>Total</u>
	<u>£</u>	<u>£</u>
At 1 May 2016	36,475	36,475
Decrease in existing provisions	(1,641)	(1,641)
At 30 April 2017	<u><u>34,834</u></u>	<u><u>34,834</u></u>

Analysis of deferred tax

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Difference between accumulated depreciation and amortisation and capital allowances	34,834	36,475
	<u><u>34,834</u></u>	<u><u>36,475</u></u>

During the year ended 30 April 2018, £2,039 of the above provision will reverse due to accelerated depreciation charges.

£38,042 has not been provided on the revaluation of freehold properties as in the opinion of the director this property is unlikely to be disposed of in the foreseeable future.

Absolute Care Homes (Central) Limited

Notes to the Financial Statements for the Year Ended 30 April 2017

19 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £9,620 (2016 - £1,423).

20 Share capital

Allotted, called up and fully paid shares

	<u>2017</u>		<u>2016</u>	
	<u>No.</u>	<u>£</u>	<u>No.</u>	<u>£</u>
Ordinary shares of £1 each	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>

Rights, preferences and restrictions

Ordinary shares of £1 each have the following rights, preferences and restrictions:

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

21 Loans and borrowings

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
<u>Non-current loans and borrowings</u>		
Bank borrowings	<u>2,340,287</u>	<u>2,474,915</u>

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
<u>Current loans and borrowings</u>		
Bank borrowings	<u>197,100</u>	<u>185,740</u>

Bank borrowings

Bank loan is denominated in sterling with a nominal interest rate of 2.1%. The carrying amount at year end is £2,537,387 (2016 - £2,660,655).

The bank loan is secured by a legal charge over the freehold property operated as a care home (carrying amount £3,403,610 (2016 - £3,536,391)) and by a fixed and floating charge over the assets of the Company (carrying amount £5,610,834 (2016 - £5,692,415)).

The bank loan is being repaid in monthly instalments and is scheduled for renegotiation of terms and rates in April 2020.

Absolute Care Homes (Central) Limited

Notes to the Financial Statements for the Year Ended 30 April 2017

Included in the loans and borrowings are the following amounts due after more than five years:

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
After more than five years by instalments	-	1,679,694
	-	1,679,694

22 Related party transactions

Other transactions with directors

At 30 April 2017 the Company was owed £635,761 (2016 - £617,298) by other companies under the control of the director, Dr M S Pawar.

At the balance sheet date the amount due to/(from) Dr M S Pawar was (£269,945) (2016 - £695,384).

Summary of transactions with parent

The Company does not have a parent undertaking. The ultimate controlling party is Dr M S Pawar.

23 Transition to FRS 102

There were no material amendments on the adoption of FRS102.