

**WATERFALL NURSING HOMES LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**WATERFALL NURSING HOMES LIMITED**  
**REGISTERED NUMBER: 3277099**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2016**

	<b>Note</b>	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
<b>FIXED ASSETS</b>			
Intangible assets	4	18,542	21,042
Tangible assets	5	3,903,209	3,916,102
		<hr/>	<hr/>
		<b>3,921,751</b>	<b>3,937,144</b>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	6	274,944	132,527
Cash at bank and in hand	7	141,414	176,163
		<hr/>	<hr/>
		<b>416,358</b>	<b>308,690</b>
Creditors: amounts falling due within one year	8	(313,803)	(204,302)
		<hr/>	<hr/>
		<b>102,555</b>	<b>104,388</b>
<b>NET CURRENT ASSETS</b>			
		<hr/>	<hr/>
		<b>4,024,306</b>	<b>4,041,532</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
Creditors: amounts falling due after more than one year	9	(1,027,855)	(1,197,360)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	12	(25,477)	(27,382)
		<hr/>	<hr/>
		<b>(25,477)</b>	<b>(27,382)</b>
		<hr/>	<hr/>
		<b>2,970,974</b>	<b>2,816,790</b>
<b>NET ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
Called up share capital		152	152
Revaluation reserve	13	2,229,837	2,229,837
Profit and loss account	13	740,985	586,801
		<hr/>	<hr/>
		<b>2,970,974</b>	<b>2,816,790</b>
		<hr/>	<hr/>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

**WATERFALL NURSING HOMES LIMITED**  
**REGISTERED NUMBER: 3277099**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2016**

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**P J Barden**  
Director

Date: 21 September 2017

The notes on pages 3 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The following principal accounting policies have been applied:

**1.2 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**1.3 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the statement of income and retained earnings over its useful economic life.

## WATERFALL NURSING HOMES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

#### 1. ACCOUNTING POLICIES (CONTINUED)

##### 1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	-	not depreciated
Fixtures & fittings	-	25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of income and retained earnings.

##### 1.5 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the statement of income and retained earnings unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

##### 1.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 1.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 1.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third

**WATERFALL NURSING HOMES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. ACCOUNTING POLICIES (CONTINUED)**

**1.8 Financial instruments (continued)**

parties, loans to related parties and investments in non-puttable ordinary shares.

**1.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**1.10 Finance costs**

Finance costs are charged to the statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**1.11 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**1.12 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**1.13 Interest income**

Interest income is recognised in the statement of income and retained earnings using the effective interest method.

**1.14 Borrowing costs**

All borrowing costs are recognised in the statement of income and retained earnings in the year in which they are incurred.

## **WATERFALL NURSING HOMES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

#### **1. ACCOUNTING POLICIES (CONTINUED)**

##### **1.15 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

##### **1.16 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### **2. GENERAL INFORMATION**

Waterfall Nursing Homes Limited is a limited company incorporated in England and Wales. The

Company's principal place of business is 45 Park Lane, Newport, Barnstaple, EX32 9AL.

#### **3. EMPLOYEES**

The average monthly number of employees, including directors, during the year was 68 (2015 - 68).



**WATERFALL NURSING HOMES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**4. INTANGIBLE ASSETS**

	<b>Goodwill £</b>
<b>COST</b>	
At 1 January 2016	<b>21,042</b>
	<hr/>
At 31 December 2016	<b>21,042</b>
	<hr/>
<b>AMORTISATION</b>	
Charge for the year	<b>2,500</b>
	<hr/>
At 31 December 2016	<b>2,500</b>
	<hr/>
<b>NET BOOK VALUE</b>	
	<hr/>
At 31 December 2016	<b>18,542</b>
	<hr/>
<i>At 31 December 2015</i>	<b>21,042</b>
	<hr/>

**WATERFALL NURSING HOMES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**5. TANGIBLE FIXED ASSETS**

	Freehold property £	Fixtures, fittings and equipment £	Total £
<b>COST OR VALUATION</b>			
At 1 January 2016	3,760,498	540,408	4,300,906
Additions	-	29,219	29,219
	<hr/>	<hr/>	<hr/>
At 31 December 2016	3,760,498	569,627	4,330,125
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>			
At 1 January 2016	-	384,804	384,804
Charge for the year on owned assets	-	42,112	42,112
	<hr/>	<hr/>	<hr/>
At 31 December 2016	-	426,916	426,916
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
	<hr/>	<hr/>	<hr/>
At 31 December 2016	<u>3,760,498</u>	<u>142,711</u>	<u>3,903,209</u>
<i>At 31 December 2015</i>	<u>3,760,498</u>	<u>155,604</u>	<u>3,916,102</u>

The net book value of land and buildings may be further analysed as follows:

	2016 £	2015 £
Freehold	<u>3,760,498</u>	<u>3,760,498</u>

**WATERFALL NURSING HOMES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**6. DEBTORS**

	2016 £	2015 £
Trade debtors	45,021	(4,440 )
Amount due from Riva Ltd	46,435	48,436
Prepayments	4,390	3,989
Other debtors	179,098	84,542
	<u>274,944</u>	<u>132,527</u>

Included within other debtors due within one year are loans to the directors, amounting to £179,098 (2015 - £84,542). The maximum amount owing during the period was £179,098. Interest on the loan has been

charged at the official rate of interest. The directors will have repaid the loans in full by 30 September 2017.

**7. CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash at bank and in hand	<u>141,414</u>	<u>176,163</u>

**8. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Bank loans	84,753	-
Trade creditors	48,294	27,749
Corporation tax	55,792	37,335
Other taxation and social security	13,435	12,671
Pension Contributions	720	11,041
Amount due to Waterfall Nursing Homes South Ltd	92,463	95,646
Other creditors	18,346	19,860
	<u>313,803</u>	<u>204,302</u>

**WATERFALL NURSING HOMES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**9. CREDITORS: Amounts falling due after more than one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
	<b>1,027,855</b>	<b>1,197,360</b>
Bank loans		

**10. LOANS**

Analysis of the maturity of loans is given below:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
	<b>84,753</b>	<b>-</b>
Bank loans		
<b>AMOUNTS FALLING DUE 2-5 YEARS</b>		
	<b>339,010</b>	<b>-</b>
Bank loans		
<b>AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS</b>		
	<b>688,845</b>	<b>1,197,360</b>
Bank loans		

**11. FINANCIAL INSTRUMENTS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>FINANCIAL ASSETS</b>		
	<b>141,414</b>	<b>176,163</b>
Financial assets measured at fair value through profit or loss		

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

# **WATERFALL NURSING HOMES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

### **12. DEFERRED TAXATION**

	2016 £
At beginning of year	(27,382)
Charged to profit or loss	1,905
<b>AT END OF YEAR</b>	<b><u>(25,477)</u></b>

The provision for deferred taxation is made up as follows:

	2016 £
Accelerated capital allowances	<u>(25,477)</u>

### **13. RESERVES**

#### **Revaluation reserve**

Includes all current and prior period adjustments to the fair value of Freehold property.

#### **Profit & loss account**

Includes all current and prior period retained profits and losses.

### **14. PENSION COMMITMENTS**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £7,850 (2015 - £11,041).

Contributions totalling £720 (2015 - £11,041) were payable to the fund at the balance sheet date and are included in creditors.

### **15. FIRST TIME ADOPTION OF FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

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