

Company Registration No. 03949942 (England and Wales)

**BARTY HOUSE NURSING HOME LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2017**

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# **BARTY HOUSE NURSING HOME LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr B Cooney Mr B Lambert
<b>Secretary</b>	Lester Aldridge Company Secretarial Limited
<b>Company number</b>	03949942
<b>Registered office</b>	Russell House Oxford Road Bournemouth Dorset BH8 8EX
<b>Auditor</b>	Morris Lane 31/33 Commercial Road Poole Dorset BH14 0HU

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# **BARTY HOUSE NURSING HOME LIMITED**

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# BARTY HOUSE NURSING HOME LIMITED

## STATEMENT OF FINANCIAL POSITION

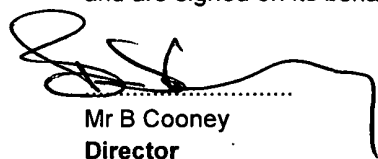
AS AT 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Property, plant and equipment	4		81,928		86,391
<b>Current assets</b>					
Inventories		-		2,000	
Trade and other receivables	5	499,758		334,530	
Cash at bank and in hand		154,347		183,807	
		<u>654,105</u>		<u>520,337</u>	
<b>Current liabilities</b>	6	<u>(330,090)</u>		<u>(212,508)</u>	
<b>Net current assets</b>			324,015		307,829
<b>Total assets less current liabilities</b>			<u>405,943</u>		<u>394,220</u>
<b>Equity</b>					
Called up share capital	9		2		2
Retained earnings	10		405,941		394,218
<b>Total equity</b>			<u>405,943</u>		<u>394,220</u>

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

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

The financial statements were approved by the board of directors and authorised for issue on 16/11/2017 and are signed on its behalf by:

  
Mr B Cooney  
Director

Company Registration No. 03949942

# **BARTY HOUSE NURSING HOME LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2017**

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### **1 Accounting policies**

#### **Company information**

Barty House Nursing Home Limited is a private company limited by shares incorporated in England and Wales. The registered office is Russell House, Oxford Road, Bournemouth, Dorset, BH8 8EX. The principal place of business is Roundwell, Bearsted, Maidstone, Kent, ME14 4HN.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

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

#### **1.3 Revenue**

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

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

#### **1.4 Property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	7 years straight line
Fixtures, fittings & equipment	7 years straight line
Computer equipment	4 years straight line

# BARTY HOUSE NURSING HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of non-current 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell.

Cost is calculated using the weighted average method.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 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 statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# BARTY HOUSE NURSING HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Other financial assets**

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

#### **Impairment of financial assets**

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

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

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

#### **Derecognition of financial assets**

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

#### **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.

# BARTY HOUSE NURSING HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future 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 payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

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

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

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

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

### 1.9 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.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# BARTY HOUSE NURSING HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 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 non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

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

#### **1.13 Leases**

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

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

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

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 76 (2016 - 90).

### 3 Taxation

2017	2016
£	£

# BARTY HOUSE NURSING HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

### 3 Taxation

(Continued)

#### Deferred tax

Origination and reversal of timing differences

2,455

(1,177)

### 4 Property, plant and equipment

	Leasehold improvements	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 July 2016	660	396,598	20,442	417,700
Additions	-	15,299	7,230	22,529
At 30 June 2017	660	411,897	27,672	440,229
<b>Depreciation and impairment</b>				
At 1 July 2016	24	316,647	14,637	331,308
Depreciation charged in the year	94	24,382	2,517	26,993
At 30 June 2017	118	341,029	17,154	358,301
<b>Carrying amount</b>				
At 30 June 2017	542	70,868	10,518	81,928
At 30 June 2016	636	79,950	5,805	86,391

Property, plant and equipment with a carrying amount of £81,928 (2016 - £86,391) have been pledged to secure liabilities of the company.

# BARTY HOUSE NURSING HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

### 5 Trade and other receivables

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade receivables	133,550	184,506
Amount due from parent undertaking	264,836	37,947
Other receivables	-	60
Prepayments and accrued income	100,104	108,294
	<u>498,490</u>	<u>330,807</u>
Deferred tax asset (note 7)	155	839
	<u>498,645</u>	<u>331,646</u>
<b>Amounts falling due after one year:</b>		
Deferred tax asset (note 7)	1,113	2,884
	<u>1,113</u>	<u>2,884</u>
<b>Total debtors</b>	<u>499,758</u>	<u>334,530</u>

The carrying amount of trade and other receivables includes £499,758 (2016 - £334,530) pledged as security for liabilities.

### 6 Current liabilities

	2017 £	2016 £
Trade payables	152,542	51,366
Amounts due to group undertakings	50,000	-
Other taxation and social security	20,937	23,563
Other payables	54,990	68,307
Accruals and deferred income	51,621	69,272
	<u>330,090</u>	<u>212,508</u>

### 7 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:

	Assets 2017 £	Assets 2016 £
<b>Balances:</b>		
Accelerated capital allowances	<u>1,268</u>	<u>3,723</u>

# BARTY HOUSE NURSING HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

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<b>7</b>	<b>Deferred taxation</b>	<b>(Continued)</b>
		<b>2017</b>
	<b>Movements in the year:</b>	<b>£</b>
	Liability/(Asset) at 1 July 2016	(3,723)
	Charge to profit or loss	2,455
		<u>          </u>
	Liability/(Asset) at 30 June 2017	(1,268)
		<u>          </u>

Of the deferred tax asset set out above, an amount of £155 is expected to reverse within 12 months and relates to decelerated capital allowances.

<b>8</b>	<b>Retirement benefit schemes</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	<b>Defined contribution schemes</b>		
	Charge to profit or loss in respect of defined contribution schemes	4,674	7,226
		<u>          </u>	<u>          </u>

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

<b>9</b>	<b>Called up share capital</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	<b>Ordinary share capital</b>		
	<b>Issued and fully paid</b>		
	2 Ordinary shares of £1 each	2	2
		<u>          </u>	<u>          </u>

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

### 10 Retained earnings

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

### 11 Audit report information

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

The auditor's report was unqualified.  
The senior statutory auditor was Michelle Pettifer.  
The auditor was Morris Lane.

# BARTY HOUSE NURSING HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

### 12 Financial commitments, guarantees and contingent liabilities

As at 30 June 2017 the company was party to a composite guarantee and debenture in respect of all liabilities due under the terms of the operating lease for the use of the property from which the company trades. Security is by way of a fixed charge over any freehold or leasehold property and other assets vested in the company and a floating charge over all assets, property and undertakings of the company both present and future. It is not practicable for an assessment of the financial effect to be ascertained as at the balance sheet date.

During the year, the company entered into a contract for the provision of catering services to care service users. The contract is for an initial fixed term of 3 years, after which termination is possible upon providing a notice period of 6 months. The financial effect of this transaction cannot be reliably estimated.

### 13 Operating lease commitments

#### Lessee

Operating lease payments include rentals payable by the company for the use its business premises. This lease is for a maximum term of 25 years and rentals are increased annually on an indexed basis, with upward rent reviews occurring on the 10th anniversary of the lease, and every 5 years thereafter. This lease contains a number of financial covenants which are tested on a systematic basis.

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

	2017 £	2016 £
Within one year	987,332	953,574
Between two and five years	4,199,770	4,008,863
In over five years	2,920,923	3,868,409
	<u>8,108,025</u>	<u>8,830,846</u>

### 14 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2017 £	2016 £
Acquisition of property, plant and equipment	<u>53,100</u>	<u>40,120</u>

### 15 Related party transactions

# BARTY HOUSE NURSING HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

### 15 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2017 £	2016 £
Fellow subsidiary undertakings	50,000	-

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties 2017		Amounts owed by related parties 2016	
	Balance £	Net £	Balance £	Net £
Entities with control, joint control or significant influence over the company	264,836	264,836	37,947	37,947
	<u>264,836</u>	<u>264,836</u>	<u>37,947</u>	<u>37,947</u>

No guarantees have been given or received.

### 16 Parent company

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

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

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

### 17 Comparatives

Comparative figures shown are for the period from 1 June 2015 to 30 June 2016 and therefore are not entirely comparable with the current year from 1 July 2016 to 30 June 2017. The reason for extending the previous financial period was to align to the company's covenant testing period.