

Barty House Nursing Home Limited

Financial Statements

Year Ended

30 June 2019

Company Number 03949942

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Barty House Nursing Home Limited

Registered number: 03949942

Statement of Financial Position As at 30 June 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	5		96,500		97,607
Current assets					
Debtors: amounts falling due within one year	6	434,638		353,859	
Bank and cash balances		20,495		18,559	
		<u>455,133</u>		<u>372,418</u>	
Creditors: amounts falling due within one year	7	(303,179)		(282,259)	
Net current assets			<u>151,954</u>		<u>90,159</u>
Total assets less current liabilities			<u>248,454</u>		<u>187,766</u>
Provisions for liabilities					
Deferred tax		(2,583)		(1,356)	
			<u>(2,583)</u>		<u>(1,356)</u>
Net assets			<u><u>245,871</u></u>		<u><u>186,410</u></u>
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account	9		245,869		186,408
			<u><u>245,871</u></u>		<u><u>186,410</u></u>

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.

The Company has opted not to file the profit and loss account 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 on 25 September 2019.



B Cooney
Director

The notes on pages 3 to 10 form part of these financial statements.

Barty House Nursing Home Limited

Statement of Changes in Equity For the Year Ended 30 June 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2018	2	186,408	186,410
Comprehensive income for the year			
Profit for the year	-	159,461	159,461
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	159,461	159,461
Dividends: Equity capital	-	(100,000)	(100,000)
Total transactions with owners	-	(100,000)	(100,000)
At 30 June 2019	2	245,869	245,871

Statement of Changes in Equity For the Year Ended 30 June 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2017	2	405,941	405,943
Comprehensive income for the year			
Profit for the year	-	80,467	80,467
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	80,467	80,467
Dividends: Equity capital	-	(300,000)	(300,000)
Total transactions with owners	-	(300,000)	(300,000)
At 30 June 2018	2	186,408	186,410

The notes on pages 3 to 10 form part of these financial statements.

Barty House Nursing Home Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

1. General information

Barty House Nursing Home Limited is a company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities is set out in the directors' report.

2. Accounting policies

2.1 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's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Rendering of services

Revenue 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 revenue 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.

2.3 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.

Barty House Nursing Home Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 7 years straight line
Fixtures and fittings	- 7 years straight line
Computer equipment	- 4 years straight line

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 Profit and Loss Account.

2.4 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.

2.5 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference

Barty House Nursing Home Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

2. Accounting policies (continued)

2.5 Financial instruments (continued)

between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.6 Finance costs

Finance costs are charged to the Profit and Loss Account 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.

2.7 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.

2.8 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.9 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.10 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

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Notes to the Financial Statements For the Year Ended 30 June 2019

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, 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 reporting 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 Statement of Financial Position 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 reporting date.

2.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.13 Retirement benefits

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

Barty House Nursing Home Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Determine whether there are indicators of impairment of the company's fixed asset investments and amounts owed by group undertakings. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Key assumptions include:

Long-term growth rates

The management forecasts are extrapolated using growth of 3% and assumptions relevant for the business sector and are based on industry research.

4. Employees

The average monthly number of employees, including directors, during the year was 74 (2018 - 75).

5. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 July 2018	17,635	436,186	27,672	481,493
Additions	5,064	18,310	2,105	25,479
At 30 June 2019	22,699	454,496	29,777	506,972
Depreciation				
At 1 July 2018	482	362,911	20,493	383,886
Charge for the year on owned assets	3,020	20,296	3,270	26,586
At 30 June 2019	3,502	383,207	23,763	410,472
Net book value				
At 30 June 2019	19,197	71,289	6,014	96,500
At 30 June 2018	17,153	73,275	7,179	97,607

Property, plant and equipment with a carrying amount of £96,500 (2018 - £97,607) have been pledged to secure liabilities of the company.

Barty House Nursing Home Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

6. Debtors

	2019 £	2018 £
Trade debtors	173,992	111,620
Amounts owed by group undertakings	146,902	130,977
Other debtors	-	236
Prepayments and accrued income	113,744	111,026
	<u>434,638</u>	<u>353,859</u>

The carrying amount of trade and other receivables includes £434,638 (2018 - £353,859) pledged as security for liabilities.

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	159,462	66,988
Amounts owed to group undertakings	-	710
Other taxation and social security	17,825	20,728
Other creditors	23,139	58,155
Accruals and deferred income	102,753	135,678
	<u>303,179</u>	<u>282,259</u>

8. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
2 (2018 - 2) Ordinary Shares A shares of £1.00 each	<u>2</u>	<u>2</u>

Barty House Nursing Home Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

9. Reserves

The company's capital and reserves are as follows:

Share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

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

10. Financial commitments, guarantees and contingent liabilities

As at 30 June 2019 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 fellow subsidiary companies trade. 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.

11. Commitments under operating leases

Operating lease payments include rentals payable by the company for the use of 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 30 June 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	1,036,505	1,034,494
Later than 1 year and not later than 5 years	4,146,022	4,576,508
Later than 5 years	928,595	2,006,026
	<u>6,111,122</u>	<u>7,617,028</u>

12. Related party transactions

The company has taken advantage of the exemption available in section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

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Notes to the Financial Statements For the Year Ended 30 June 2019

13. Controlling party

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.

14. Auditors' information

The auditors' report on the financial statements for the year ended 30 June 2019 was unqualified.

The audit report was signed on 25 September 2019 by James Newman (Senior Statutory Auditor) on behalf of BDO LLP.