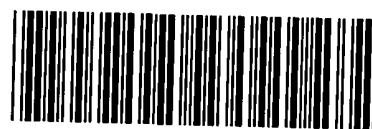


Company Registration No. 04075104 (England and Wales)

BEECH CLIFFE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

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BEECH CLIFFE LIMITED

COMPANY INFORMATION

Directors	P D M Ratcliffe S C Ratcliffe
Secretary	S C Ratcliffe
Company number	04075104
Registered office	Beech Cliffe Grange Munsbrough Lane Greasbrough Rotherham S61 4NS
Auditor	Haywood & Co 24-26 Mansfield Road Rotherham South Yorkshire S60 2DT
Business address	Beech Cliffe Grange Munsbrough Lane Greasbrough Rotherham S61 4NS

BEECH CLIFFE LIMITED

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BEECH CLIFFE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The directors present their strategic report for the year ended 30 September 2017.

Fair review of the business

The company operates two residential homes for people suffering from severe autism in South Yorkshire.

The company operated at full capacity for many years but due to factors beyond the directors control has had to operate since December 2013 below full capacity. Since the balance sheet date the directors are pleased to note that external circumstances have changed positively. Whilst a return to full capacity will take time to achieve the company is now moving in the right direction.

In recent years the pressures on public finances have meant that fees have not increased, not even in line with inflation, whereas costs, in particular employment costs, have done so. As a result of all the above factors the company reported a loss before taxation for the year ended 30 September 2017 of £40,564 compared to a loss of £19,164 in the previous year.

Due to the continued exceptional team efforts of the management and staff and the continuing financial support of the directors, the bank and a related third party, the company remained, in the opinion of the directors, in a satisfactory financial position.

On behalf of the board



P D M Ratcliffe

Director

12 June 2018

BEECH CLIFFE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The directors present their report and financial statements for the year ended 30 September 2017.

Principal activities

The principal activity of the company continued to be that of operating residential homes for people suffering from severe autism in South Yorkshire.

Directors

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

P D M Ratcliffe
S C Ratcliffe

Results and dividends

The results for the year are set out on page 7.

Ordinary interim dividends paid amounted to £42,000. The directors do not recommend payment of a final dividend.

Auditor

The auditor, Haywood & Co, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Future Developments

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments in the business of the company.

BEECH CLIFFE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

Statement of disclosure to auditor

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

On behalf of the board



P D M Ratcliffe

Director

12 June 2018

BEECH CLIFFE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BEECH CLIFFE LIMITED

Qualified opinion on financial statements

We have audited the financial statements of Beech Cliffe Limited (the 'company') for the year ended 30 September 2017 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

The company has adopted the revaluation policy in respect of its trading property, however the last professional valuation was obtained in July 2011. This is considered to be a departure from the requirements of FRS102 that trading properties, once revalued, should be kept up to date. Therefore, whilst the directors do not consider the value of the property as at 30 September 2017 to be materially different from the July 2011 valuation, the appropriate audit evidence available to support this assumption is limited.

Emphasis of matter

In forming our opinion on the financial statements, which is modified in respect of asset valuations but not in respect of going concern, we have considered the adequacy of the disclosures made in note 1.2 to the financial statements concerning the company's ability to continue as a going concern. Loans of £2,408,700 are repayable on demand although the directors confirm that the finance providers are continuing to support the company by providing rolling reviews and repayment holidays. These conditions indicate the existence of a material uncertainty which may cast doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

BEECH CLIFFE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BEECH CLIFFE LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

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

Matters on which we are required to report by exception

In respect only of the limitation on our work relating to property valuations, we have been unable to obtain all the information considered necessary for the purpose of our audit.

In the light of the 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 Directors' Report.

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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

BEECH CLIFFE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BEECH CLIFFE LIMITED


Andrew Jackson (Senior Statutory Auditor)
for and on behalf of Haywood & Co

12 June 2018

**Chartered Accountants
Statutory Auditor**

24-26 Mansfield Road
Rotherham
South Yorkshire
S60 2DT

BEECH CLIFFE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	1,366,684	1,426,686
Cost of sales		(1,143,692)	(1,117,128)
Gross profit		222,992	309,558
Administrative expenses		(183,424)	(225,258)
Operating profit	4	39,568	84,300
Interest receivable and similar income	7	129	223
Interest payable and similar expenses	8	(80,261)	(103,687)
Loss before taxation		(40,564)	(19,164)
Tax on loss	9	3,993	(3,993)
Loss for the financial year		(36,571)	(23,157)

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

BEECH CLIFFE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2017

	2017 £	2016 £
Loss for the year	(36,571) <u> </u>	(23,157) <u> </u>
Other comprehensive income		
Revaluation of tangible fixed assets	-	40,500
Tax relating to other comprehensive income	7,359 <u> </u>	3,908 <u> </u>
Other comprehensive income for the year	7,359 <u> </u>	44,408 <u> </u>
Total comprehensive income for the year	(29,212) <u> </u>	21,251 <u> </u>

BEECH CLIFFE LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11		2,705,678		2,708,113
Current assets					
Debtors	13	3,140,249		3,144,148	
Cash at bank and in hand		194,177		189,936	
		<u>3,334,426</u>		<u>3,334,084</u>	
Creditors: amounts falling due within one year	14	<u>(2,567,686)</u>		<u>(2,491,208)</u>	
Net current assets			766,740		842,876
Total assets less current liabilities			<u>3,472,418</u>		<u>3,550,989</u>
Creditors: amounts falling due after more than one year	15		(50,000)		(50,000)
Provisions for liabilities	17		<u>(313,682)</u>		<u>(321,041)</u>
Net assets			<u><u>3,108,736</u></u>		<u><u>3,179,948</u></u>
Capital and reserves					
Called up share capital	20		2		2
Revaluation reserve	21	1,796,201		1,788,842	
Profit and loss reserves	22	<u>1,312,533</u>		<u>1,391,104</u>	
Total equity			<u><u>3,108,736</u></u>		<u><u>3,179,948</u></u>

The financial statements were approved by the board of directors and authorised for issue on 12 June 2018 and are signed on its behalf by:



P D M Ratcliffe
Director

Company Registration No. 04075104

BEECH CLIFFE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 October 2015		2	1,987,500	1,213,195	3,200,697
Year ended 30 September 2016:					
Loss for the year		-	-	(23,157)	(23,157)
Other comprehensive income:					
Revaluation of tangible fixed assets		-	40,500	-	40,500
Tax relating to other comprehensive income		-	3,908	-	3,908
Total comprehensive income for the year		-	44,408	(23,157)	21,251
Dividends	10	-	-	(42,000)	(42,000)
Transfers		-	(243,066)	243,066	-
Balance at 30 September 2016		2	1,788,842	1,391,104	3,179,948
Year ended 30 September 2017:					
Loss for the year		-	-	(36,571)	(36,571)
Other comprehensive income:					
Tax relating to other comprehensive income		-	7,359	-	7,359
Total comprehensive income for the year		-	7,359	(36,571)	(29,212)
Dividends	10	-	-	(42,000)	(42,000)
Balance at 30 September 2017		2	1,796,201	1,312,533	3,108,736

BEECH CLIFFE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	26	96,078		146,105	
Interest paid		(80,261)		(103,687)	
Income taxes paid		(3,993)		(27,334)	
Net cash inflow from operating activities		<u>11,824</u>		<u>15,084</u>	
Investing activities					
Purchase of tangible fixed assets		(614)		(1,700)	
Proceeds on disposal of tangible fixed assets		1,162		5,130	
Interest received		129		223	
Net cash generated from investing activities		<u>677</u>		<u>3,653</u>	
Financing activities					
Proceeds from borrowings		33,740		-	
Repayment of borrowings		-		(6,148)	
Payment of finance leases obligations		-		(1,832)	
Dividends paid		(42,000)		(42,000)	
Net cash used in financing activities		<u>(8,260)</u>		<u>(49,980)</u>	
Net increase/(decrease) in cash and cash equivalents		<u>4,241</u>		<u>(31,243)</u>	
Cash and cash equivalents at beginning of year		189,936		221,179	
Cash and cash equivalents at end of year		<u><u>194,177</u></u>		<u><u>189,936</u></u>	

BEECH CLIFFE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

Company information

Beech Cliffe Limited is a private company limited by shares incorporated in England and Wales. The registered office is Beech Cliffe Grange, Munsbrough Lane, Greasbrough, Rotherham, S61 4NS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on the going concern basis, which assumes the continued support of the parent company, its shareholders, the bank and a loan creditor. The bank loan and a third party loan were previously provided for a five year term which expired in September 2016. These loans have now continued on a rolling basis with the bank facilities renewed to September 2018 and an expectation that this will be renewed further. A repayment holiday provided by the loan creditor. Notwithstanding the company's present operational circumstances the bank and the third party have continued to provide financial support which the directors anticipate will continue beyond 12 months from the signing of the accounts. The directors therefore have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing the financial statements.

1.3 Turnover

Turnover 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.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Land and buildings Freehold	Nil
Fixtures, fittings & equipment	20% Straight Line
Motor vehicles	25% reducing balance

Freehold land and assets in the course of construction are not depreciated.

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.

BEECH CLIFFE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation. No depreciation has been charged as the residual value of the properties is deemed to be the same as the fair value carried forward. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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 Cash at bank and in hand

Cash at bank and in hand 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.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

BEECH CLIFFE LIMITED

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

1 Accounting policies

(Continued)

Basic financial assets

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

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 publicly 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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

BEECH CLIFFE LIMITED

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

1 Accounting policies

(Continued)

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.

1.8 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.

1.9 Employee benefits

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

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

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

1.10 Retirement benefits

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

1.11 Leases

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 Judgements and key sources of estimation uncertainty

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

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

BEECH CLIFFE LIMITED

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

3 Turnover and other revenue

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

	2017 £	2016 £
Turnover analysed by class of business		
Operation of residential homes	1,366,684	1,426,686

	2017 £	2016 £
Other significant revenue		
Interest income	129	223

	2017 £	2016 £
Turnover analysed by geographical market		
United Kingdom	1,366,684	1,426,686

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	2,300	2,000
Depreciation of owned tangible fixed assets	2,160	43,699
Profit on disposal of tangible fixed assets	(273)	(3,042)
Operating lease charges	13,246	13,346

5 Employees

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

	2017 Number	2016 Number
Care staff	60	59
Directors	2	2
	62	61

BEECH CLIFFE LIMITED

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

5	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2017	2016
		£	£
	Wages and salaries	987,209	952,211
	Social security costs	60,318	66,662
	Pension costs	5,411	4,610
		<u>1,052,938</u>	<u>1,023,483</u>
6	Directors' remuneration		
		2017	2016
		£	£
	Remuneration for qualifying services	<u>29,804</u>	<u>35,558</u>
	The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 1).		
7	Interest receivable and similar income		
		2017	2016
		£	£
	Interest income		
	Interest on bank deposits	<u>129</u>	<u>223</u>
8	Interest payable and similar expenses		
		2017	2016
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	39,989	65,391
	Interest on finance leases and hire purchase contracts	-	418
	Other interest on financial liabilities	<u>40,272</u>	<u>37,878</u>
		<u>80,261</u>	<u>103,687</u>
9	Taxation		
		2017	2016
		£	£
	Current tax		
	UK corporation tax on profits for the current period	<u>(3,993)</u>	<u>3,993</u>

BEECH CLIFFE LIMITED

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

9 Taxation

(Continued)

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

	2017 £	2016 £
Loss before taxation	(40,564)	(19,164)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.50% (2016: 20.00%)	(7,910)	(3,833)
Tax effect of expenses that are not deductible in determining taxable profit	500	9,140
Tax effect of income not taxable in determining taxable profit	(52)	(608)
Unutilised tax losses carried forward	3,827	-
Effect of change in corporation tax rate	3	-
Capital allowances	(361)	(706)
Taxation (credit)/charge for the year	(3,993)	3,993

In addition to the amount (credited)/charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2017 £	2016 £
Deferred tax arising on: Revaluation of property	(7,359)	(3,908)

10 Dividends

	2017 £	2016 £
Interim paid	42,000	42,000

BEECH CLIFFE LIMITED

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

11 Tangible fixed assets

	Land and buildings Freehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 October 2016	2,700,000	3,688	27,900	2,731,588
Additions	-	614	-	614
Disposals	-	-	(8,495)	(8,495)
At 30 September 2017	2,700,000	4,302	19,405	2,723,707
Depreciation and impairment				
At 1 October 2016	-	2,956	20,519	23,475
Depreciation charged in the year	-	442	1,718	2,160
Eliminated in respect of disposals	-	-	(7,606)	(7,606)
At 30 September 2017	-	3,398	14,631	18,029
Carrying amount				
At 30 September 2017	2,700,000	904	4,774	2,705,678
At 30 September 2016	2,700,000	732	7,381	2,708,113

The residential homes operations are valued to include the freehold property and integral equipment at its fair value of £2,700,000.

In the directors opinion the fair value at 30 September 2017 based on full operational capacity was not significantly different to the revalued amount. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2017 £	2016 £
Cost	590,117	590,117
Accumulated depreciation	(188,708)	(179,856)
Carrying value	401,409	410,261

There is formal security over the company's assets.

BEECH CLIFFE LIMITED

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

12 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,108,470	3,118,282
Carrying amount of financial liabilities		
Measured at amortised cost	2,600,583	2,518,671

13 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	6,605	16,517
Corporation tax recoverable	3,993	-
Amounts owed by group undertakings	3,101,765	3,101,765
Other debtors	100	-
Prepayments and accrued income	27,786	25,866
	3,140,249	3,144,148

14 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	16	1,593,196	1,593,196
Other borrowings	16	849,244	815,504
Trade creditors		14,344	9,993
Corporation tax		-	3,993
Other taxation and social security		17,103	18,544
Other creditors		21,733	17,005
Accruals and deferred income		72,066	32,973
		2,567,686	2,491,208

The bank loans are secured by fixed charges over the assets of the company.

15 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Other borrowings	16	50,000	50,000

The other borrowings represent loans payable to the company directors.

BEECH CLIFFE LIMITED

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

16 Loans and overdrafts

	2017 £	2016 £
Bank loans	1,593,196	1,593,196
Other loans	899,244	865,504
	<u>2,492,440</u>	<u>2,458,700</u>
Payable within one year	2,442,440	2,408,700
Payable after one year	<u>50,000</u>	<u>50,000</u>

The bank loans are secured by fixed charges over the assets of the company.

17 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	18	<u>313,682</u>	<u>321,041</u>

18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
Property revaluations	<u>313,682</u>	<u>321,041</u>

BEECH CLIFFE LIMITED

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

19 Retirement benefit schemes

	2017	2016
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	5,411	4,610

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.

Included within other creditors is a pension liability of £2,465 (2016 - £1,996) owed by the company to the scheme.

20 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
2 Ordinary shares of £1 each	2	2

21 Revaluation reserve

	2017	2016
	£	£
At beginning of year	1,788,842	1,987,500
Revaluation surplus arising in the year	-	40,500
Deferred tax on revaluation of tangible assets	7,359	3,908
Transfer to retained earnings	-	(243,066)
At end of year	1,796,201	1,788,842

A provision for deferred tax is included in the financial statements for revalued land and buildings.

22 Profit and loss reserves

	2017	2016
	£	£
At the beginning of the year	1,391,104	1,213,195
Loss for the year	(36,571)	(23,157)
Dividends declared and paid in the year	(42,000)	(42,000)
Transfer from revaluation reserve	-	243,066
At the end of the year	1,312,533	1,391,104

BEECH CLIFFE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

23 Operating lease commitments

Lessee

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	5,461	-
Between two and five years	-	18,567
	<u>5,461</u>	<u>18,567</u>

BEECH CLIFFE LIMITED

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

24 Related party transactions

A balance at 30 September 2017 of £3,101,765 (2016 - £3,101,765) was owed by Beech Cliffe (Holdings) Limited. There is no interest charged on this loan.

At the year end £64,013 (2016 - £61,063) was owed to the directors. During the year interest of £2,950 (2016 - £2,950) has been accrued/charged on this loan.

At the year end £849,244 (2016 - £815,503) was owed to a family member of a director of the company. During the year interest of £37,321 (2016 - £34,928) has been accrued/charged on this loan.

25 Controlling party

The company's immediate parent undertaking is Beech Cliffe (Holdings) Limited.

The ultimate controlling party are the directors of the company.

26 Cash generated from operations

	2017 £	2016 £
Loss for the year after tax	(36,571)	(23,157)
Adjustments for:		
Taxation (credited)/charged	(3,993)	3,993
Finance costs	80,261	103,687
Investment income	(129)	(223)
Gain on disposal of tangible fixed assets	(273)	(3,042)
Depreciation and impairment of tangible fixed assets	2,160	43,699
Movements in working capital:		
Decrease in debtors	7,892	3,400
Increase in creditors	46,731	17,748
Cash generated from operations	96,078	146,105