

Company Registration No. 04740877 (England and Wales)

**ST. MARGUERITE RESIDENTIAL CARE HOME LIMITED**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

**PAGES FOR FILING WITH REGISTRAR**

## ST. MARGUERITE RESIDENTIAL CARE HOME LIMITED

### COMPANY INFORMATION

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<b>Directors</b>	Mr J Chinapyel Mrs R Chinapyel
<b>Secretary</b>	Mrs R Chinapyel
<b>Company number</b>	04740877
<b>Registered office</b>	30-32 Gildredge Road Eastbourne East Sussex BN21 4SH
<b>Accountants</b>	Price & Company 30-32 Gildredge Road Eastbourne East Sussex BN21 4SH
<b>Business address</b>	10 Ashburnham Road Eastbourne East Sussex BN21 2HU
<b>Bankers</b>	National Westminster Bank Plc 96 Terminus Road Eastbourne East Sussex BN21 3LX
<b>Solicitors</b>	Hart Reade & Co 104 South Street Eastbourne East Sussex BN21 4LW

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**ST. MARGUERITE RESIDENTIAL CARE HOME LIMITED**

**BALANCE SHEET**

**AS AT 31 MARCH 2017**

		<b>2017</b>		<b>2016</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Intangible assets			135,000		146,250
Tangible assets	<b>4</b>		1,743,450		823,410
<b>Current assets</b>					
Stocks		750		750	
Debtors	<b>5</b>	37,996		33,246	
		<u>38,746</u>		<u>33,996</u>	
<b>Creditors: amounts falling due within one year</b>	<b>6</b>	<u>(87,565)</u>		<u>(129,408)</u>	
<b>Net current liabilities</b>			<u>(48,819)</u>		<u>(95,412)</u>
<b>Total assets less current liabilities</b>			<u>1,829,631</u>		<u>874,248</u>
<b>Creditors: amounts falling due after more than one year</b>	<b>7</b>		(48,202)		(72,411)
<b>Net assets</b>			<u><u>1,781,429</u></u>		<u><u>801,837</u></u>
<b>Capital and reserves</b>					
Called up share capital	<b>8</b>		200		200
Revaluation reserve	<b>9</b>		1,421,491		495,879
Profit and loss reserves			359,738		305,758
<b>Total equity</b>			<u><u>1,781,429</u></u>		<u><u>801,837</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

**ST. MARGUERITE RESIDENTIAL CARE HOME LIMITED**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2017**

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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 21 December 2017 and are signed on its behalf by:

Mr J Chinapyel  
**Director**

**Company Registration No. 04740877**

## **ST. MARGUERITE RESIDENTIAL CARE HOME LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

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#### **1 Accounting policies**

##### **Company information**

St. Marguerite Residential Care Home Limited is a private company limited by shares incorporated in England and Wales. The registered office is 30-32 Gildredge Road, Eastbourne, East Sussex, BN21 4SH.

##### **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, 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.

These financial statements for the year ended 31 March 2017 are the first financial statements of St. Marguerite Residential Care Home Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 11.

##### **1.2 Turnover**

Turnover represents amounts receivable for services.

##### **1.3 Intangible fixed assets - goodwill**

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

##### **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.

## ST. MARGUERITE RESIDENTIAL CARE HOME LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

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#### 1 Accounting policies (Continued)

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:

Freehold land and buildings	5% straight line
Fixtures, fittings and equipment	15% reducing balance
Motor vehicles	25% reducing balance

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 fixed 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 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

**ST. MARGUERITE RESIDENTIAL CARE HOME LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

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**1 Accounting policies (Continued)**

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks 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 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.

**1.8 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 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.

**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.

**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.



## **ST. MARGUERITE RESIDENTIAL CARE HOME LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017**

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#### **1 Accounting policies (Continued)**

##### **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.

#### **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 Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### **1.11 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 profit and loss account 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.

**ST. MARGUERITE RESIDENTIAL CARE HOME LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

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**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 profit and loss account, 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.

**1.12 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 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.

**1.13 Retirement benefits**

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

**1.14 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 balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account 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.

**ST. MARGUERITE RESIDENTIAL CARE HOME LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

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**2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 19 (2016 - 18).

**3 Intangible fixed assets**

	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 April 2016 and 31 March 2017	225,000
	<hr/>
<b>Amortisation and impairment</b>	
At 1 April 2016	78,750
Amortisation charged for the year	11,250
	<hr/>
At 31 March 2017	90,000
	<hr/>
<b>Carrying amount</b>	
At 31 March 2017	135,000
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At 31 March 2016	146,250
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**ST. MARGUERITE RESIDENTIAL CARE HOME LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

**4 Tangible fixed assets**

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 April 2016	973,542	96,651	1,070,193
Additions	446	3,755	4,201
Revaluation	730,012	-	730,012
	<u>1,704,000</u>	<u>100,406</u>	<u>1,804,406</u>
At 31 March 2017	1,704,000	100,406	1,804,406
<b>Depreciation and impairment</b>			
At 1 April 2016	195,600	51,183	246,783
Depreciation charged in the year	-	9,773	9,773
Revaluation	(195,600)	-	(195,600)
	<u>-</u>	<u>60,956</u>	<u>60,956</u>
At 31 March 2017	-	60,956	60,956
<b>Carrying amount</b>			
At 31 March 2017	<u>1,704,000</u>	<u>39,450</u>	<u>1,743,450</u>
At 31 March 2016	<u>777,942</u>	<u>45,468</u>	<u>823,410</u>

**5 Debtors**

	2017	2016
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	<u>37,996</u>	<u>33,246</u>

**ST. MARGUERITE RESIDENTIAL CARE HOME LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

**6 Creditors: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	14,281	1,305
Trade creditors	1,439	5,378
Corporation tax	26,486	33,261
Other taxation and social security	4,052	2,151
Other creditors	41,307	87,313
	<u>87,565</u>	<u>129,408</u>

**7 Creditors: amounts falling due after more than one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Other creditors	48,202	72,411
	<u>48,202</u>	<u>72,411</u>

**8 Called up share capital**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
200 Ordinary shares of £1 each	200	200
	<u>200</u>	<u>200</u>

**9 Revaluation reserve**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
At beginning of year	495,879	504,629
Revaluation surplus arising in the year	-	(8,750)
Other movements	925,612	-
	<u>1,421,491</u>	<u>495,879</u>

## ST. MARGUERITE RESIDENTIAL CARE HOME LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

#### 10 Directors' transactions

The company was controlled throughout the current and previous period by Mr & Mrs J Chinapyl, the directors of the company, by virtue of the fact that they own 100 per cent of the issued ordinary share capital of the company.

Included in 'Creditors: amounts falling due within one year' is an amount of £7,554 (2016: £60,949) and in 'Creditors: amounts falling due after more than one year' an amount of £30,000 (2016: £50,000) owing to Mr & Mrs Chinapyl at the end of the financial period.

The company has entered into a written guarantee in which it guarantees all the obligations of Mrs R Chinapyl to Santander UK plc in connection with her loan from Santander UK plc of £626,000 together with interest and such further sums as the company may be required to pay. The loan was used to finance the purchase of shares in the company from Mr Chinapyl, which will enable it to continue to operate its residential care home business.

#### 11 Reconciliations on adoption of FRS 102

##### Reconciliation of equity

	Notes	At 1 April 2015			At 31 March 2016		
		Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
<b>Fixed assets</b>							
Goodwill		157,500	-	157,500	146,250	-	146,250
Tangible assets		861,636	-	861,636	823,410	-	823,410
		<u>1,019,136</u>	<u>-</u>	<u>1,019,136</u>	<u>969,660</u>	<u>-</u>	<u>969,660</u>
<b>Current assets</b>							
Stocks		750	-	750	750	-	750
Debtors		6,416	-	6,416	33,246	-	33,246
Bank and cash		2,002	-	2,002	-	-	-
		<u>9,168</u>	<u>-</u>	<u>9,168</u>	<u>33,996</u>	<u>-</u>	<u>33,996</u>

**ST. MARGUERITE RESIDENTIAL CARE HOME LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

**11 Reconciliations on adoption of FRS 102**

Notes	At 1 April 2015			At 31 March 2016		
	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £ £ (Continued)
<b>Creditors due within one year</b>						
Loans and overdrafts	(33,394)	-	(33,394)	(62,254)	-	(62,254)
Finance leases	(4,209)	-	(4,209)	(4,209)	-	(4,209)
Taxation	(39,637)	-	(39,637)	(35,412)	-	(35,412)
Other creditors	(20,241)	-	(20,241)	(27,533)	-	(27,533)
	<u>(97,481)</u>	<u>-</u>	<u>(97,481)</u>	<u>(129,408)</u>	<u>-</u>	<u>(129,408)</u>
Net current liabilities	<u>(88,313)</u>	<u>-</u>	<u>(88,313)</u>	<u>(95,412)</u>	<u>-</u>	<u>(95,412)</u>
Total assets less current liabilities	<u>930,823</u>	<u>-</u>	<u>930,823</u>	<u>874,248</u>	<u>-</u>	<u>874,248</u>
<b>Creditors due after one year</b>						
Loans and overdrafts	(130,000)	-	(130,000)	(50,000)	-	(50,000)
Finance leases	(26,619)	-	(26,619)	(22,411)	-	(22,411)
	<u>(156,619)</u>	<u>-</u>	<u>(156,619)</u>	<u>(72,411)</u>	<u>-</u>	<u>(72,411)</u>
Net assets	<u>774,204</u>	<u>-</u>	<u>774,204</u>	<u>801,837</u>	<u>-</u>	<u>801,837</u>
<b>Capital and reserves</b>						
Share capital	200	-	200	200	-	200
Revaluation reserve	504,629	-	504,629	495,879	-	495,879
Profit and loss	269,375	-	269,375	305,758	-	305,758
Total equity	<u>774,204</u>	<u>-</u>	<u>774,204</u>	<u>801,837</u>	<u>-</u>	<u>801,837</u>

**ST. MARGUERITE RESIDENTIAL CARE HOME LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

**11 Reconciliations on adoption of FRS 102 (Continued)**

**Reconciliation of profit for the financial period**

	Notes	Year ended 31 March 2016	
		Previous UK GAAP £	Effect of transition £
			FRS 102 £
Turnover		560,971	-
Cost of sales		(234,347)	-
		<u>          </u>	<u>          </u>
Gross profit		326,624	-
Administrative expenses		(165,915)	-
Interest receivable and similar income		1	-
Interest payable and similar expenses		(23,698)	-
		<u>          </u>	<u>          </u>
Profit before taxation		137,012	-
Taxation		(33,044)	-
		<u>          </u>	<u>          </u>
Profit for the financial period		103,968	-
		<u>          </u>	<u>          </u>

**Notes to reconciliations on adoption of FRS 102**

Section 17 'Property, Plant and Equipment' of FRS 102 requires that any depreciation charged in a period is recognised in the profit and loss account. As a result, there is an adjustment necessary to transfer that element of the depreciation charge on the revalued freehold property that was recognised in reserves.



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