

Company Registration No. 04746712 (England and Wales)

**ABBHEY TOTAL CARE GROUP LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 30 APRIL 2011**

TUESDAY



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# ABBHEY TOTAL CARE GROUP LIMITED

## DIRECTORS AND ADVISERS

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<b>Directors</b>	J M Patel D J Patel
<b>Secretary</b>	D J Patel
<b>Company number</b>	04746712
<b>Registered office</b>	9 Spareleaze Hill Loughton Essex IG10 1BS
<b>Auditors</b>	Alwyns LLP Crown House 151 High Road Loughton Essex IG10 4LG

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# ABBEY TOTAL CARE GROUP LIMITED

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# **ABBHEY TOTAL CARE GROUP LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 APRIL 2011**

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The directors present their report and financial statements for the year ended 30 April 2011

#### **Principal activities and review of the business**

The principal activity of the company continued to be that of a holding company. The principal activities of the group are that of ownership and the operation of nursing homes.

In spite of continuing weak economic conditions, the group has managed to maintain a high occupancy level which is reflected in the year's financial results. Despite downward pressure on public sector fees, turnover has increased by 5% over the previous year. Continuous improvements at all the homes has resulted in superior living accommodation and a further twenty units being converted to single-occupancy rooms.

The group expects better results in the coming year, with sustained high level of occupancy and carefully managed costs. It sees no major risks or uncertainties that could have an impact on the group's long-term performance.

The group has an appropriate risk management structure in place which is designed to identify, manage and mitigate business risk. Risk assessment and evaluation is carried out continuously, and the group is not aware of any such matters that may have a material impact on its financial position.

The group closely monitors market trends and takes timely action to address issues that may affect its trading. Working with NHS Rapid Response Teams and geriatric consultants, the group is now strategically placed to offer dementia care, intermediate care, rehabilitation, and terminal care within the care homes. The group's operations are regulated by the Care Quality Commission. It is also subject to the laws governing businesses in general, including health and safety, labour and employment practices.

#### **Results and dividends**

The consolidated profit and loss account for the year is set out on page 6.

#### **Future developments**

The group continues to focus on customer retention, restructuring the business to improve efficiency and introducing a range of high quality, good value services for dementia, end of life, and reablement care. Occupancy levels at all homes have so far been maintained as a result of the group's uncompromisingly high service standards.

The group will continue to use its expertise in healthcare to help people make more informed decisions about their service requirements, improving their health outcomes, and driving high standards in care quality. The combination of a continuing strong cash flow performance, sound property asset base and appropriate funding headroom mean that the group is well placed to deliver on identified growth opportunities.

Given the group's in-depth knowledge of owning and managing care homes, it remains strongly committed to its social care business and its strategy is to continue to drive operational excellence to further improve organic growth. It plans to gain greater scale through carefully targeted acquisitions and constant upgrade and redevelopment of its properties. The group also plans to deliver the option of care in the community and use technology to assist in living independently.

A prestigious new care home in Balham, London, is nearing completion and will soon open its doors to residents with specialist needs. Development of a new care home in Hornchurch is also progressing well. These developments are in line with the group's core strategy to improve its current holdings and ultimately expand in the North West and South West London areas.

# ABBEY TOTAL CARE GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2011**

### Directors

The following directors have held office since 1 May 2010

J M Patel

D J Patel

### Charitable donations

	2011	2010
	£	£
During the year the group made the following payments		
Charitable donations	1,950	6,833

### Employee involvement

All employees are trained as appropriate in aspects of their role to enable them to comply with the group's practices and to ensure that they are able to function safely and to achieve the required standards. Performance is monitored on an on-going basis by managers through work interaction. Staff meetings are held at regular intervals where employees are kept well informed about the progress and position of the group. All matters of concern by individuals are resolved as they arise by the manager. The group's policy is to maintain a positive approach to problem solving and improve efficiency.

### Disabled persons

The group recognises that discrimination in the workplace in any form is unacceptable and in most cases unlawful. The group has therefore adopted an Equal Opportunities Policy to ensure that all job applicants and employees are treated fairly and without favour or prejudice. The group is committed to applying this policy throughout all areas of employment, recruitment and selection, training, development and promotion. In accordance with the Disability Discrimination Act, all applicants will be judged solely on merit or ability. Employees who become disabled are retained in their existing posts where possible or retained for suitable alternative posts.

To ensure that the group reaches the widest cross section of the community, all vacancies will be advertised through the appropriate agencies, or independent media, as well as being advertised internally. The group will ensure that no job applicant or employee receives less favourable treatment on the grounds of race, colour, nationality, ethnic, or national origin, sex, marital status, sexual orientation, disability, political opinion/affiliation, age, religion or belief.

### Financial instruments

Treasury operations and financial instruments

The group operates a treasury function which is responsible for managing the liquidity and interest risks associated with the group's activities.

The group's principal financial instruments are bank overdrafts and loans, the main purpose of which is to finance the group's operations. In addition the group has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations.

### Liquidity risk

The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business.

# **ABBEY TOTAL CARE GROUP LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2011**

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### **Interest rate risk**

The group is exposed to fair value interest rate risk on its borrowings and cashflow interest rate risk on bank overdrafts and loans. The group has an interest rate cap on part of its borrowing to mitigate its exposure to excessive interest rate increases.

### **Credit risk**

Investments of cash surpluses and borrowings are made through banks which must fulfil credit rating criteria approved by the Board.

All service users enter into formal agreements with the group which stipulate payment terms. The directors regularly review trade debtors and pursue any outstanding debts on a timely basis. Where necessary, provisions are made for doubtful debts.

### **Auditors**

The auditors, Alwyns LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' 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 group and of the profit or loss of the group 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors 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 group's auditors are aware of that information.

On behalf of the board



J M Patel

Director

31 October 2011

# **ABBEY TOTAL CARE GROUP LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF ABBEY TOTAL CARE GROUP LIMITED**

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We have audited the financial statements of Abbey Total Care Group Limited for the year ended 30 April 2011 set out on pages 6 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 30 April 2011 and of the group's profit 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# ABBEY TOTAL CARE GROUP LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

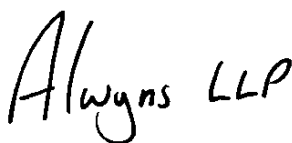
### TO THE MEMBERS OF ABBEY TOTAL CARE GROUP LIMITED

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#### Matters on which we are required to report by exception

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



David Stanley (Senior Statutory Auditor)  
for and on behalf of Alwyns LLP

Chartered Accountants  
Statutory Auditor

Crown House  
151 High Road  
Loughton  
Essex  
IG10 4LG

31 October 2011



# **ABBAY TOTAL CARE GROUP LIMITED**

## **CONSOLIDATED PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 30 APRIL 2011**

	Notes	2011 £	2010 £
Turnover	2	11,582,646	11,024,109
Cost of sales		(7,223,633)	(6,965,551)
<b>Gross profit</b>		<b>4,359,013</b>	<b>4,058,558</b>
Administrative expenses		(3,333,531)	(2,770,994)
Other operating income		84,214	121,471
<b>Operating profit</b>	3	<b>1,109,696</b>	<b>1,409,035</b>
Other interest receivable and similar income		3,188	533
Interest payable and similar charges	4	(917,100)	(763,609)
<b>Profit on ordinary activities before taxation</b>		<b>195,784</b>	<b>645,959</b>
Tax on profit on ordinary activities	5	(4,820)	(209,400)
<b>Profit on ordinary activities after taxation</b>		<b>190,964</b>	<b>436,559</b>
Minority interests		(31,971)	(29,864)
<b>Profit for the financial year</b>		<b>158,993</b>	<b>406,695</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

# **ABBEY TOTAL CARE GROUP LIMITED**

## **BALANCE SHEETS**

**AS AT 30 APRIL 2011**

	Notes	Group 2011 £	2010 £	Company 2011 £	2010 £
<b>Fixed assets</b>					
Intangible assets	6	(202,989)	(202,896)	-	-
Tangible assets	7	40,795,826	39,287,519	6,735	1,817
Investments	8	-	-	1,059,952	1,059,952
		<u>40,592,837</u>	<u>39,084,623</u>	<u>1,066,687</u>	<u>1,061,769</u>
<b>Current assets</b>					
Debtors	9	2,793,785	2,585,416	26,563,693	25,145,858
Cash at bank and in hand		174,446	959,350	25,140	247
		<u>2,968,231</u>	<u>3,544,766</u>	<u>26,588,833</u>	<u>25,146,105</u>
<b>Creditors amounts falling due within one year</b>	10	<u>(2,946,945)</u>	<u>(2,549,764)</u>	<u>(3,976,040)</u>	<u>(2,788,146)</u>
<b>Net current assets</b>		<u>21,286</u>	<u>995,002</u>	<u>22,612,793</u>	<u>22,357,959</u>
<b>Total assets less current liabilities</b>		<u>40,614,123</u>	<u>40,079,625</u>	<u>23,679,480</u>	<u>23,419,728</u>
<b>Creditors amounts falling due after more than one year</b>	11	<u>(24,407,614)</u>	<u>(24,060,080)</u>	<u>(23,555,200)</u>	<u>(23,206,000)</u>
<b>Provisions for liabilities</b>	12	<u>-</u>	<u>(4,000)</u>	<u>-</u>	<u>-</u>
		<u>16,206,509</u>	<u>16,015,545</u>	<u>124,280</u>	<u>213,728</u>
<b>Capital and reserves</b>					
Called up share capital	13	321	321	321	321
Revaluation reserve	14	15,239,064	15,239,064	-	-
Other reserves	14	(357,491)	(357,491)	-	-
Profit and loss account	14	758,263	599,270	123,959	213,407
<b>Shareholders' funds</b>	16	<u>15,640,157</u>	<u>15,481,164</u>	<u>124,280</u>	<u>213,728</u>
<b>Minority interests</b>	15	<u>566,352</u>	<u>534,381</u>	<u>-</u>	<u>-</u>
		<u>16,206,509</u>	<u>16,015,545</u>	<u>124,280</u>	<u>213,728</u>

Approved by the Board and authorised for issue on 21/10/11



J M Patel  
Director

Company Registration No 04746712

# **ABBHEY TOTAL CARE GROUP LIMITED**

## **CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30 APRIL 2011**

	£	2011 £	£	2010 £
<b>Net cash inflow from operating activities</b>		1,652,417		1,770,976
<b>Returns on investments and servicing of finance</b>				
Interest received	3,188		533	
Interest paid	(797,100)		(683,609)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(793,912)		(683,076)
<b>Taxation</b>		(249,123)		(164,502)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(2,157,930)		(784,457)	
Receipts from sales of tangible assets	-		30,200	
<b>Net cash outflow for capital expenditure</b>		(2,157,930)		(754,257)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(1,548,548)		169,141
<b>Financing</b>				
Long term bank loan	1,649,200		23,726,000	
Other long term loans	690,000		477,330	
Repayment of short term bank loans	-		(23,669,015)	
Repayment of long term bank loan	(970,000)		-	
Repayment of other long term loans	(1,666)		-	
<b>Net cash inflow from financing</b>		1,367,534		534,315
<b>(Decrease)/Increase in cash in the year</b>		(181,014)		703,456

# **ABBEY TOTAL CARE GROUP LIMITED**

## **NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30 APRIL 2011**

<b>1</b>	<b>Reconciliation of operating profit to net cash inflow from operating activities</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Operating profit	1,109,696	1,409,035
	Depreciation of tangible assets	649,623	695,394
	Amortisation of intangible assets	93	92
	Profit on disposal of tangible assets	-	(8,704)
	(Increase)/decrease in debtors	(168,516)	478,226
	Increase/(decrease) in creditors within one year	72,635	(803,067)
	<b>Net cash inflow from operating activities</b>	<b>1,652,417</b>	<b>1,770,976</b>

<b>2</b>	<b>Analysis of net debt</b>	<b>1 May 2010</b>	<b>Cash flow</b>	<b>Other non-cash changes</b>	<b>30 April 2011</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Net cash				
	Cash at bank and in hand	959,350	(784,904)	-	174,446
	Bank overdrafts	(630,977)	603,890	-	(27,087)
		<b>328,373</b>	<b>(181,014)</b>	<b>-</b>	<b>147,359</b>
	Debts falling due within one year	(600,000)	970,000	(2,110,000)	(1,740,000)
	Debts falling due after one year	(24,060,080)	(2,337,534)	1,990,000	(24,407,614)
		<b>(24,660,080)</b>	<b>(1,367,534)</b>	<b>(120,000)</b>	<b>(26,147,614)</b>
	<b>Net debt</b>	<b>(24,331,707)</b>	<b>(1,548,548)</b>	<b>(120,000)</b>	<b>(26,000,255)</b>

Net non-cash changes reflect loan issue costs amortised during the year

<b>3</b>	<b>Reconciliation of net cash flow to movement in net debt</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	(Decrease)/increase in cash in the year	(181,014)	703,456
	Cash inflow from increase in debt	(1,487,534)	(614,315)
	<b>Movement in net debt in the year</b>	<b>(1,668,548)</b>	<b>89,141</b>
	Opening net debt	(24,331,707)	(24,420,848)
	<b>Closing net debt</b>	<b>(26,000,255)</b>	<b>(24,331,707)</b>

# ABBEY TOTAL CARE GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 APRIL 2011**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

#### **1.2 Basis of consolidation**

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 30 April 2011. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group transactions are eliminated fully on consolidation.

Where appropriate the subsidiary undertakings have been included in the group financial statements in accordance with the principals of merger accounting. The profits have been included in the financial statements for the whole of the year of the merger. Comparative figures have been presented as if the companies had been combined throughout the previous period and at the previous balance sheet date.

Where merger accounting is not appropriate, subsidiary undertakings have been included in the group financial statements using the acquisition method of accounting. The difference between the cost of acquisition of shares in a subsidiary and the fair value of the separable net assets acquired is amortised through the profit and loss account in equal installments over its estimated useful life.

#### **1.3 Turnover**

Turnover represents amounts receivable for services provided.

#### **1.4 Goodwill**

Goodwill represents the difference between the fair value of the consideration paid on the acquisition of a business and the fair value of the separable net assets. Goodwill is capitalised and amortised in equal annual instalments over its estimated useful economic life. The balance sheet carrying value of goodwill is reviewed for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recovered.

#### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	Nil
Equipment (short life)	over a period of 3 years
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

# ABBEY TOTAL CARE GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2011

### 1 Accounting policies

(continued)

Investment property is shown at valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to the revaluation reserve, unless the deficit is below cost and considered to be permanent, in which case it is shown in the profit and loss account.

Contrary to the accounting requirements of the Companies Act 2006, depreciation is not provided in respect of the group's freehold buildings. The directors believe that the group fully meet the criteria laid down by the Financial Reporting Standard No 15, and are of the opinion that the ongoing maintenance work undertaken keeps properties to a high standard of repair. The directors also believe the residual value of the properties is not materially less than the value at which the properties are shown in the financial statements. For these reasons any provision for depreciation would be immaterial in the context of the group's financial statements, and such a policy would prevent the financial statements from showing a true and fair view, as required by Section 395(1) of the Companies Act 2006.

The freehold land and buildings are revalued professionally at least every five years, and are reviewed by the directors annually.

### 1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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.

### 1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

### 1.8 Pensions

The group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

### 1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

## 2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

# **ABBEY TOTAL CARE GROUP LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2011**

<b>3</b>	<b>Operating profit</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging		
	Amortisation of intangible assets	93	92
	Depreciation of tangible assets	649,623	695,394
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £1,675, 2010 £2,339)	18,235	19,819
	and after crediting		
	Profit on disposal of tangible assets	-	(8,704)
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Interest payable</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	751,285	624,832
	On other loans wholly repayable within five years	43,837	55,305
	Hire purchase interest	-	3,069
	On overdue tax	-	403
	Other interest	1,978	-
	Loan issue costs	120,000	80,000
		<u>          </u>	<u>          </u>
		<u>917,100</u>	<u>763,609</u>
<b>5</b>	<b>Taxation</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U K corporation tax	8,820	209,400
		<u>          </u>	<u>          </u>
	<b>Total current tax</b>	<b>8,820</b>	<b>209,400</b>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	(4,000)	-
		<u>          </u>	<u>          </u>
		<u>4,820</u>	<u>209,400</u>

# **ABBHEY TOTAL CARE GROUP LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2011**

### **5 Taxation**

**(continued)**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	195,784	645,959
	<u>          </u>	<u>          </u>
Profit on ordinary activities before taxation multiplied by standard rate of applicable UK corporation tax of 20.92% (2010 - 28.00%)	40,958	180,869
	<u>          </u>	<u>          </u>
Effects of		
Non deductible expenses	52	-
Depreciation add back	132,504	155,831
Capital allowances	(106,164)	(131,380)
Tax losses utilised/carried forward	(54,459)	-
Chargeable disposals	-	(761)
Other tax adjustments	(4,071)	4,841
	<u>          </u>	<u>          </u>
	(32,138)	28,531
	<u>          </u>	<u>          </u>
<b>Current tax charge for the year</b>	8,820	209,400
	<u>          </u>	<u>          </u>

### **6 Intangible fixed assets** **Group**

	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 May 2010 & at 30 April 2011	(277,584)
	<u>          </u>
<b>Amortisation</b>	
At 1 May 2010	(74,688)
Charge for the year	93
	<u>          </u>
At 30 April 2011	(74,595)
	<u>          </u>
<b>Net book value</b>	
At 30 April 2011	(202,989)
	<u>          </u>
At 30 April 2010	(202,896)
	<u>          </u>



# **ABBEY TOTAL CARE GROUP LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2011**

### **7 Tangible fixed assets**

#### **Group**

	Land and buildings Freehold	Investment Properties	Fixtures, equipment & vehicles	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 May 2010	36,567,867	1,086,559	3,767,847	41,422,273
Additions	1,227,550	563,843	366,537	2,157,930
Disposals	-	-	(120,939)	(120,939)
At 30 April 2011	37,795,417	1,650,402	4,013,445	43,459,264
<b>Depreciation</b>				
At 1 May 2010	-	-	2,134,754	2,134,754
On disposals	-	-	(120,939)	(120,939)
Charge for the year	-	-	649,623	649,623
At 30 April 2011	-	-	2,663,438	2,663,438
<b>Net book value</b>				
At 30 April 2011	37,795,417	1,650,402	1,350,007	40,795,826
At 30 April 2010	36,567,867	1,086,559	1,633,093	39,287,519

The freehold land and buildings and investment property were valued in July 2009 by Christie & Co , a firm of independent Chartered Surveyors, on the basis of 'existing use value' The directors have used this as a basis for the valuation at the balance sheet date

During the last two years the company has reorganised the rooms in three of its' homes Whilst not recognised within the above valuations, the directors consider this to have increased the value of those homes by in excess of £1,000,000

The potential tax liability on the disposal of the freehold land and buildings at the balance sheet value would be £3,900,000

The comparable historical cost for the land and buildings included at valuation is £24,845,171 (2010 - £23,053,778)

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## ABBHEY TOTAL CARE GROUP LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2011**

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#### **Tangible fixed assets**

##### **Company**

	<b>Fixtures, fittings &amp; equipment £</b>
<b>Cost</b>	
At 1 May 2010	2,422
Additions	7,163
	<hr/>
At 30 April 2011	9,585
	<hr/>
<b>Depreciation</b>	
At 1 May 2010	605
Charge for the year	2,245
	<hr/>
At 30 April 2011	2,850
	<hr/>
<b>Net book value</b>	
At 30 April 2011	6,735
	<hr/>
At 30 April 2010	1,817
	<hr/>

# ABBHEY TOTAL CARE GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2011

### 8 Fixed asset investments

#### Company

	Shares in group undertakings £
<b>Cost</b>	
At 1 May 2010 & at 30 April 2011	1,059,952
<b>Net book value</b>	
At 30 April 2011	1,059,952
At 30 April 2010	1,059,952

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies, all of which were incorporated in the United Kingdom

Company	Shares held	
	Class	%
<b>Subsidiary undertakings</b>		
Abbey Care Centre Limited	Ordinary	100
Abbey Care Complex Limited	Ordinary	100
Abbey Ravenscroft Park Limited	Ordinary	100
Abbey Cheam Centre Limited	Ordinary	100
Martlane Limited	Ordinary	95
Moreland House Care Home Limited	Ordinary	100
Parkside Nursing Home Limited	Ordinary	100
Planshore Limited	Ordinary	99
Ryedowns Limited	Ordinary	99
Woodlands Total Care Nursing Home Limited	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was the operation of nursing homes apart from Abbey Care Centre Limited which was property investment

# **ABBEY TOTAL CARE GROUP LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 30 APRIL 2011**

### **9 Debtors**

	Group 2011 £	2010 £	Company 2011 £	2010 £
Trade debtors	476,654	431,864	-	-
Amounts owed by group undertakings	-	-	24,859,434	23,574,298
Corporation tax	39,853	-	-	-
Other debtors	2,226,145	2,106,396	1,704,259	1,571,560
Prepayments and accrued income	51,133	47,156	-	-
	<u>2,793,785</u>	<u>2,585,416</u>	<u>26,563,693</u>	<u>25,145,858</u>

Included within other debtors are amounts due to the group of £340,000 (2010 - £nil) and company of £170,000 (2010 - £nil) that are due in more than one year. Amounts owed by group undertakings are considered to be recoverable after more than one year. Other debtors of the group £2,177,872 (2010 - £2,049,766) and company £1,690,409 (2010 - £1,551,560) are considered to be recoverable after more than one year.

### **10 Creditors - amounts falling due within one year**

	Group 2011 £	2010 £	Company 2011 £	2010 £
Bank loans and overdrafts	1,767,087	1,230,977	1,740,000	843,296
Trade creditors	218,819	240,782	13,173	9,650
Amounts owed to group undertakings	-	-	2,179,689	1,909,015
Corporation tax	8,950	209,400	-	-
Other taxes and social security costs	119,911	116,434	5,779	3,051
Other creditors	356,254	314,052	29,297	14,317
Accruals and deferred income	475,924	438,119	8,102	8,817
	<u>2,946,945</u>	<u>2,549,764</u>	<u>3,976,040</u>	<u>2,788,146</u>

The bank loans and overdrafts are secured by debenture and an unlimited inter company composite guarantee between group and connected companies, supported by first legal charges over the assets of the company and other group and connected companies.

# **ABBEY TOTAL CARE GROUP LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2011**

### **11 Creditors : amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	22,865,200	23,206,000	22,865,200	23,206,000
Other loans	1,542,414	854,080	690,000	-
	<u>24,407,614</u>	<u>24,060,080</u>	<u>23,555,200</u>	<u>23,206,000</u>
<b>Analysis of loans</b>				
Wholly repayable within five years				
Bank loans	23,120,000	23,720,000	23,120,000	23,720,000
Revolving credit facility	1,485,200	86,000	1,485,200	86,000
Other loans	1,542,414	854,080	690,000	-
	<u>26,147,614</u>	<u>24,660,080</u>	<u>25,295,200</u>	<u>23,806,000</u>
Included in current liabilities	(1,740,000)	(600,000)	(1,740,000)	(600,000)
	<u>24,407,614</u>	<u>24,060,080</u>	<u>23,555,200</u>	<u>23,206,000</u>
<b>Loan maturity analysis</b>				
In more than one year but not more than two years				
	22,865,200	1,320,000	22,865,200	1,320,000
In more than two years but not more than five years				
	<u>1,542,414</u>	<u>22,740,080</u>	<u>690,000</u>	<u>21,886,000</u>

The bank loan is secured by debenture and an unlimited inter company composite guarantee between group and connected companies, supported by first legal charges over the assets of the company and other group and connected companies. Interest is charged between 2.25% and 2.50% above the bank base rate dependent upon the loan to market value of the secured properties held by the group and connected companies.

On 4th September 2009 the group entered into an interest swap with National Westminster Bank plc capping the interest at bank base rate of 3% on £17,000,000 terminating on 3rd September 2012.

# **ABBEY TOTAL CARE GROUP LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2011**

### **12 Provisions for liabilities** **Group**

	<b>Deferred taxation £</b>
Balance at 1 May 2010	4,000
Profit and loss account	(4,000)
	<hr/>
Balance at 30 April 2011	-
	<hr/> <hr/>

**Deferred tax is provided as follows:**

	<b>Group 2011 £</b>	<b>2010 £</b>	<b>Company 2011 £</b>	<b>2010 £</b>
Accelerated capital allowances	-	4,000	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

### **13 Share capital**

	<b>2011 £</b>	<b>2010 £</b>
<b>Allotted, called up and fully paid</b>		
321 Ordinary shares of £1 each	321	321
	<hr/> <hr/>	<hr/> <hr/>

# **ABBEY TOTAL CARE GROUP LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 30 APRIL 2011**

### **14 Statement of movements on reserves** **Group**

	Revaluation reserve £	Merger reserve £	Profit and loss account £
Balance at 1 May 2010	15,239,064	(357,491)	599,270
Profit for the year	-	-	158,993
Balance at 30 April 2011	<u>15,239,064</u>	<u>(357,491)</u>	<u>758,263</u>

### **Company**

	Profit and loss account £
Balance at 1 May 2010	213,407
Loss for the year	(89,448)
Balance at 30 April 2011	<u>123,959</u>

### **(Loss)/profit for the financial year of the parent company**

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The (loss)/profit for the financial year is disclosed in note 16.

### **15 Minority interests**

	2011 £	2010 £
Minority interests' share of net assets and liabilities in subsidiary undertakings	<u>566,352</u>	<u>534,381</u>

# **ABBHEY TOTAL CARE GROUP LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2011**

<b>16 Reconciliation of movements in shareholders' funds</b>	<b>2011</b>	<b>2010</b>
<b>Group</b>	<b>£</b>	<b>£</b>
Profit for the financial year	158,993	406,695
Opening shareholders' funds	15,481,164	15,074,469
	<u>          </u>	<u>          </u>
Closing shareholders' funds	15,640,157	15,481,164
	<u>          </u>	<u>          </u>

<b>Company</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
(Loss)/Profit for the financial year	(89,448)	933,352
Opening shareholders' funds	213,728	(719,624)
	<u>          </u>	<u>          </u>
Closing shareholders' funds	124,280	213,728
	<u>          </u>	<u>          </u>

<b>17 Directors' remuneration</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	166,460	99,286
Company pension contributions to defined contribution schemes	120,000	175,000
	<u>          </u>	<u>          </u>
	286,460	274,286
	<u>          </u>	<u>          </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2010 - 2)

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	84,660	46,204
Company pension contributions to defined contribution schemes	70,000	145,000
	<u>          </u>	<u>          </u>

No directors received any share options in respect of a long term incentive share scheme in either year



# ABBEY TOTAL CARE GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2011

### 18 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

	2011 Number	2010 Number
Resident welfare	445	476
Administration	30	26
	<u>475</u>	<u>502</u>

#### Employment costs

	2011 £	2010 £
Wages and salaries	6,440,548	5,951,437
Social security costs	444,266	455,008
Other pension costs	802,566	207,566
	<u>7,687,380</u>	<u>6,614,011</u>

Other pension costs represent contributions to defined contribution pension schemes

### 19 Control

The controlling party in both financial years is considered to be J M Patel by virtue of his 100% shareholding

# ABBEY TOTAL CARE GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2011

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### 20 Related party transactions

#### Group

The group has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies which have been eliminated on consolidation

Design & Construct (London) Ltd, a company controlled by J M Patel, supplied services to the group in respect of development costs for the group's freehold properties totalling £979,639 (2010 - £622,053) and management fees and repairs and maintenance charges totalling 606,134 (2010 - 678,904) Design & Construct (London) Ltd paid for various expenses on behalf of the group amounting to £Nil (2010 - £14,827) At the year end, Design & Construct (London) Ltd owed the group £130,638 (2010 - £237,221)

During the year, the group paid interest of £39,837 (2010 - £38,026) to Patelcrest Ltd, a company in which J M Patel is a director and has a participating interest At the year end, the group owed Patelcrest Ltd £774,747 (2010 - £774,747)

During the year, the group paid interest of £4,000 (2010 - £1,333) to Gathercrest Ltd, a company controlled by family members of the director At the year end, the group owed Gathercrest Ltd £77,667 (2010 - £79,333)

During the year, Onetree Estates Ltd, a company under the control of J M Patel's brother, paid £Nil (2010 - £20,000) on behalf of the group in respect of wages Interest of £47,334 (2010 - £40,541) was received by the group during the year At the year end, Onetree Estates Ltd owed the group £1,719,534 (2010 - £1,525,129)

At the year end, the group was owed £32,881 (2010 - £32,881) by Newvalley Developments Ltd, a company in which J M Patel is a director and has a participating interest

At the year end, family members of the directors were due £29,297 (2010 - £27,162) from the group

At the year end, the group was due £7,965 (2010 - £6,845) from family members of the directors

Included in other loans is a loan from the company's pension scheme of £690,000 (2010 - £nil) which is repayable on 18th April 2016 Interest is payable on this loan at a rate of 1% above the base rate

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## **ABBHEY TOTAL CARE GROUP LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 30 APRIL 2011**

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#### **20 Related party transactions**

**(continued)**

##### **Company**

At the year end, the company owed family members of the directors £29,297 (2010 - £14,317)

At the year end, the company was due £7,965 from family members of the directors (2010 - £Nil)

At the year end, the company was due £194,066 (2010 - £285,376) by Design & Construct (London) Ltd, a company controlled by J M Patel

During the year, interest of £47,334 (2010 - £40,541) was received from Onetree Estates Ltd At the year end, the company was due £1,496,343 (2010 - £1,266,184)

Included in other loans is a loan from the company's pension scheme of £690,000 (2010 - £nil) which is repayable on 18th April 2016 Interest is payable on this loan at a rate of 1% above the base rate

The company has taken advantage of the exemption from the requirement to disclose transactions with group companies