

Company Registration No 04746712 (England and Wales)

**ABBHEY TOTAL CARE GROUP LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 30 APRIL 2012**



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A27 08/11/2012 #2  
COMPANIES HOUSE

# ABBHEY TOTAL CARE GROUP LIMITED

## DIRECTORS AND ADVISERS

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**Directors**

J M Patel  
D J Patel

**Secretary**

D J Patel

**Company number**

04746712

**Registered office**

9 Spareleaze Hill  
Loughton  
Essex  
IG10 1BS

**Auditors**

Alwyns LLP  
Crown House  
151 High Road  
Loughton  
Essex  
IG10 4LG

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# ABBEY TOTAL CARE GROUP LIMITED

## CONTENTS

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	<b>Page</b>
Directors' report	1 - 3
Independent auditors' report	4 - 5
Consolidated profit and loss account	6
Statement of recognised gains and losses	7
Consolidated and company balance sheets	8
Consolidated cash flow statement	9
Notes to the consolidated cash flow statement	10
Notes to the financial statements	11 - 25

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# **ABBEY TOTAL CARE GROUP LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 APRIL 2012**

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The directors present their report and financial statements for the year ended 30 April 2012

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

The principal activities of the group is that of ownership and the operation of nursing homes

The group's results for the year have been affected by the continued pressure on public funding, resulting in fewer local authority referrals. Combined with little or no increase over the previous year in local authority fee rates, turnover has increased only marginally. In spite of these challenging conditions, the group has delivered a satisfactory set of results, in line with expectations at the start of the year. Continuous improvement of the homes and total commitment to delivering quality, patient-centred care remain the group's key objectives.

The group's new care home in Balham, London, opened its doors during the year to residents with special needs, and has been well received in the community. The home will enlarge the scope of its works into the community, as well as residential care.

With increased occupancy of the stock of new beds and improving levels of occupancy at the established homes, combined with careful management of overheads, the management is optimistic that results for the coming year would be greatly improved. 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**

Focusing on the twin objectives of retaining customers and venturing into new and promising areas of dementia, end-of-life, and reablement care, the group has dedicated a number of beds to these functions. It has partnered with a number of Local Authorities to enable procurement of worthwhile reablement and block bed contracts. Occupancy levels have been maintained as a result of this partnership.

The group has managed to use its experience and expertise in the healthcare sector to better service provision, improve health outcomes, and maintain high standards in care quality. As in previous years, the group continues to enjoy continuing strong cash flow performance. Added to this, astute property portfolio management and appropriate long-term funding headroom mean that the group will continue to take advantage of identified growth opportunities. Projects involving targeted acquisitions and upgrade and redevelopment of current properties are expected to add 183 new beds over the next five years, taking the total beds tally to over 640.

In lending support to its expansion projects, the group's bankers have now renewed, and increased, their loan and revolving credit facilities for a further term of four years. The group has also been fortunate in taking advantage of the National Loan Guarantee Scheme provided by the government, therefore benefitting from a 1% discount on the Term Loan borrowing.

# **ABBEY TOTAL CARE GROUP LIMITED**

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

### **FOR THE YEAR ENDED 30 APRIL 2012**

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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.

Development of a new care home in Hornchurch is also progressing well. On completion, the care home is expected to have 50 nursing and special-care needs beds. Bed capacity currently at this home is for ten residential care service users. In addition, developments at the other homes are expected to result in 143 beds added in the next five years. The group ultimately plans to expand in the North West and South West London areas.

#### **Directors**

The following directors have held office since 1 May 2011

J M Patel

D J Patel

#### **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.

# ABBEY TOTAL CARE GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2012**

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### 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

### 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

23/10/12

# **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 2012 set out on pages 6 to 25. 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).

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 auditors' 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.

#### **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 2012 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

*Alwyns LLP*

**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

25 October 2012



# ABBEY TOTAL CARE GROUP LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2012

	Notes	2012 £	2011 £
Turnover	2	12,131,058	11,582,646
Cost of sales		(7,845,473)	(7,223,633)
Gross profit		4,285,585	4,359,013
Administrative expenses		(2,722,195)	(3,333,531)
Other operating income		135,154	84,214
Operating profit	3	1,698,544	1,109,696
Other interest receivable and similar income		962	3,188
Interest payable and similar charges	4	(967,086)	(917,100)
Profit on ordinary activities before taxation		732,420	195,784
Tax on profit on ordinary activities	5	(144,599)	(4,820)
Profit on ordinary activities after taxation		587,821	190,964
Minority interests		(13,950)	(31,971)
Profit for the financial year		573,871	158,993

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

# **ABBHEY TOTAL CARE GROUP LIMITED**

## **STATEMENT OF RECOGNISED GAINS AND LOSSES**

***FOR THE YEAR ENDED 30 APRIL 2012***

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	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Profit for the financial year</b>	587,821	190,964
Unrealised surplus on revaluation of properties	1,940,482	-
<b>Total recognised gains and losses relating to the year</b>	<u>2,528,303</u>	<u>190,964</u>

# **ABBEY TOTAL CARE GROUP LIMITED**

## **BALANCE SHEETS**

**AS AT 30 APRIL 2012**

	Notes	Group 2012 £	2011 £	Company 2012 £	2011 £
<b>Fixed assets</b>					
Intangible assets	6	(203,082)	(202,989)	-	-
Tangible assets	7	43,540,107	40,795,826	7,257	6,735
Investments	8	-	-	1,059,952	1,059,952
		<u>43,337,025</u>	<u>40,592,837</u>	<u>1,067,209</u>	<u>1,066,687</u>
<b>Current assets</b>					
Debtors	9	2,821,497	2,793,785	27,756,819	26,563,693
Cash at bank and in hand		79,981	174,446	-	25,140
		<u>2,901,478</u>	<u>2,968,231</u>	<u>27,756,819</u>	<u>26,588,833</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(3,243,848)</u>	<u>(2,946,945)</u>	<u>(5,397,029)</u>	<u>(3,976,040)</u>
<b>Net current (liabilities)/assets</b>		<u>(342,370)</u>	<u>21,286</u>	<u>22,359,790</u>	<u>22,612,793</u>
<b>Total assets less current liabilities</b>		42,994,655	40,614,123	23,426,999	23,679,480
<b>Creditors amounts falling due after more than one year</b>	11	<u>(24,259,843)</u>	<u>(24,407,614)</u>	<u>(23,406,950)</u>	<u>(23,555,200)</u>
		<u>18,734,812</u>	<u>16,206,509</u>	<u>20,049</u>	<u>124,280</u>
<b>Capital and reserves</b>					
Called up share capital	13	321	321	321	321
Revaluation reserve	14	17,223,550	15,239,064	-	-
Other reserves	14	(357,491)	(357,491)	-	-
Profit and loss account	14	1,332,134	758,263	19,728	123,959
<b>Shareholders' funds</b>	16	<u>18,198,514</u>	<u>15,640,157</u>	<u>20,049</u>	<u>124,280</u>
<b>Minority interests</b>	15	<u>536,298</u>	<u>566,352</u>	<u>-</u>	<u>-</u>
		<u>18,734,812</u>	<u>16,206,509</u>	<u>20,049</u>	<u>124,280</u>

Approved by the Board and authorised for issue on 23/10/12



J M Patel  
Director

Company Registration No. 04746712

# **ABBEY TOTAL CARE GROUP LIMITED**

## **CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30 APRIL 2012**

	£	2012 £	£	2011 £
<b>Net cash inflow from operating activities</b>		2,320,904		1,652,417
<b>Returns on investments and servicing of finance</b>				
Interest received	962		3,188	
Interest paid	(847,086)		(797,100)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(846,124)		(793,912)
<b>Taxation</b>		31,105		(249,123)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(1,208,033)		(2,157,930)	
Receipts from sales of tangible assets	25,498		-	
<b>Net cash outflow for capital expenditure</b>		(1,182,535)		(2,157,930)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		323,350		(1,548,548)
<b>Financing</b>				
Long term bank loan	1,264,750		1,649,200	
Other long term loans	125,479		690,000	
Repayment of long term bank loan	(1,860,000)		(970,000)	
Repayment of other long term loans	(138,000)		(1,666)	
<b>Net cash (outflow)/inflow from financing</b>		(607,771)		1,367,534
<b>Decrease in cash in the year</b>		(284,421)		(181,014)

# **ABBEY TOTAL CARE GROUP LIMITED**

## **NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT** **FOR THE YEAR ENDED 30 APRIL 2012**

<b>1</b>	<b>Reconciliation of operating profit to net cash outflow from operating activities</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Operating profit	1,698,544	1,109,696
	Depreciation of tangible assets	598,040	649,623
	Amortisation of intangible assets	93	93
	Profit on disposal of tangible assets	(6,336)	-
	Gain on freehold property revaluation	(212,968)	-
	Increase in debtors	(67,565)	(168,516)
	Increase in creditors	311,096	61,521
	<b>Net cash inflow from operating activities</b>	<b>2,320,904</b>	<b>1,652,417</b>

<b>2</b>	<b>Analysis of net debt</b>	<b>1 May 2011</b>	<b>Cash flow</b>	<b>Other non-cash changes</b>	<b>30 April 2012</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Net cash				
	Cash at bank and in hand	174,446	(94,465)	-	79,981
	Bank overdrafts	(27,087)	(189,956)	-	(217,043)
		<u>147,359</u>	<u>(284,421)</u>	<u>-</u>	<u>(137,062)</u>
	Debts falling due within one year	(1,740,000)	1,560,000	(1,220,000)	(1,400,000)
	Debts falling due after one year	(24,407,614)	(952,229)	1,100,000	(24,259,843)
		<u>(26,147,614)</u>	<u>607,771</u>	<u>(120,000)</u>	<u>(25,659,843)</u>
	<b>Net debt</b>	<b>(26,000,255)</b>	<b>323,350</b>	<b>(120,000)</b>	<b>(25,796,905)</b>

<b>3</b>	<b>Reconciliation of net cash flow to movement in net debt</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Decrease in cash in the year	(284,421)	(181,014)
	Cash outflow/(inflow) from decrease/(increase) in debt	487,771	(1,487,534)
	<b>Movement in net debt in the year</b>	<b>203,350</b>	<b>(1,668,548)</b>
	Opening net debt	(26,000,255)	(24,331,707)
	<b>Closing net debt</b>	<b>(25,796,905)</b>	<b>(26,000,255)</b>

# ABBEY TOTAL CARE GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2012

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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 2012. 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 principles 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:

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

# ABBEY TOTAL CARE GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2012

### 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 Investments

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

### 1.7 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.

### 1.8 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.

## 3 Operating profit

	2012 £	2011 £
Operating profit is stated after charging		
Amortisation of intangible assets	93	93
Depreciation of tangible assets	598,040	649,623
Fees payable to the group's auditor for the audit of the group's annual accounts (company £5,070, 2011 £1,675)	21,600	18,235
and after crediting		
Profit on disposal of tangible assets	(6,336)	-

# **ABBEY TOTAL CARE GROUP LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 30 APRIL 2012**

<b>4</b>	<b>Interest payable and similar charges</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	790,765	751,285
	On other loans wholly repayable within five years	54,815	43,837
	On overdue tax	1,506	-
	Other interest	-	1,978
	Loan issue costs	120,000	120,000
		<u>967,086</u>	<u>917,100</u>
<b>5</b>	<b>Taxation</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U K corporation tax	144,599	8,820
	<b>Total current tax</b>	<u>144,599</u>	<u>8,820</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	-	(4,000)
		<u>144,599</u>	<u>4,820</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>732,420</u>	<u>195,784</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 25.84% (2011 - small companies' rate of 20.92%)	<u>189,257</u>	<u>40,958</u>
	<b>Effects of</b>		
	Non deductible expenses	2,249	52
	Depreciation add back	151,935	132,504
	Capital allowances	(140,319)	(106,164)
	Tax losses utilised/carried forward	-	(54,459)
	Chargeable disposals	(1,637)	-
	Freehold property revaluation	(55,031)	-
	Other tax adjustments	(1,855)	(4,071)
		<u>(44,658)</u>	<u>(32,138)</u>
	<b>Current tax charge for the year</b>	<u>144,599</u>	<u>8,820</u>



# ABBEY TOTAL CARE GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2012**

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

	<b>Goodwill</b> <b>£</b>
<b>Cost</b>	
At 1 May 2011 & at 30 April 2012	(277,584)
<b>Amortisation</b>	
At 1 May 2011	(74,595)
Charge for the year	93
At 30 April 2012	(74,502)
<b>Net book value</b>	
At 30 April 2012	(203,082)
At 30 April 2011	(202,989)

# **ABBEY TOTAL CARE GROUP LIMITED**

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

**FOR THE YEAR ENDED 30 APRIL 2012**

### **7 Tangible fixed assets**

#### **Group**

	Investment properties	Land and buildings Freehold	Fixtures, equipment & vehicles	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 May 2011	1,650,402	37,795,417	4,013,446	43,459,265
Transfer	(1,650,402)	1,650,402	-	-
Additions	-	778,423	429,610	1,208,033
Revaluation	-	2,153,450	-	2,153,450
Disposals	-	-	(326,124)	(326,124)
At 30 April 2012	-	42,377,692	4,116,932	46,494,624
<b>Depreciation</b>				
At 1 May 2011	-	-	2,663,439	2,663,439
On disposals	-	-	(306,962)	(306,962)
Charge for the year	-	-	598,040	598,040
At 30 April 2012	-	-	2,954,517	2,954,517
<b>Net book value</b>				
At 30 April 2012	-	42,377,692	1,162,415	43,540,107
At 30 April 2011	1,650,402	37,795,417	1,350,007	40,795,826

The freehold land and buildings were valued in March 2012 by Christie Owen & Davies Limited, 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.

The potential tax liability on the disposal of the freehold land and buildings at the balance sheet value would be circa £2,750,000.

The comparable cost for the land and buildings included at valuation determined according to the historical cost accounting rules is £24,342,973 (2011 - £23,351,581).

# ABBEY TOTAL CARE GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2012**

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### Tangible fixed assets

#### Company

	<b>Fixtures, fittings &amp; equipment £</b>
<b>Cost</b>	
At 1 May 2011	9,585
Additions	2,941
	<hr/>
At 30 April 2012	12,526
	<hr/>
<b>Depreciation</b>	
At 1 May 2011	2,850
Charge for the year	2,419
	<hr/>
At 30 April 2012	5,269
	<hr/>
<b>Net book value</b>	
At 30 April 2012	7,257
	<hr/>
At 30 April 2011	6,735
	<hr/>

# **ABBEY TOTAL CARE GROUP LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 30 APRIL 2012**

### **8 Fixed asset investments**

#### **Company**

	Shares in group undertakings £
<b>Cost</b>	
At 1 May 2011 & at 30 April 2012	1,059,952
<b>Net book value</b>	
At 30 April 2012	1,059,952
At 30 April 2011	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

# **ABBHEY TOTAL CARE GROUP LIMITED**

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

**FOR THE YEAR ENDED 30 APRIL 2012**

### **9 Debtors**

	Group 2012 £	2011 £	Company 2012 £	2011 £
Trade debtors	603,640	476,654	-	-
Amounts owed by group undertakings	-	-	26,131,542	24,859,434
Corporation tax	-	39,853	-	-
Other debtors	2,136,976	2,226,145	1,625,277	1,704,259
Prepayments and accrued income	80,881	51,133	-	-
	<u>2,821,497</u>	<u>2,793,785</u>	<u>27,756,819</u>	<u>26,563,693</u>

Included within other debtors are amounts due to the group of £318,000 (2011 - £340,000) and company of £148,000 (2011 - £170,000) that are due in more than one year. Amounts owed by group undertakings are considered to be recoverable after more than one year. In addition to the above, other debtors of the group £1,780,615 (2011 - £1,827,011) and company £1,458,617 (2011 - £1,509,294) are considered to be recoverable after more than one year.

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

	Group 2012 £	2011 £	Company 2012 £	2011 £
Bank loans and overdrafts	1,617,043	1,767,087	1,552,913	1,740,000
Trade creditors	239,965	218,819	23,789	13,173
Amounts owed to group undertakings	-	-	3,688,337	2,179,689
Corporation tax	144,801	8,950	-	-
Taxes and social security costs	155,262	119,911	7,651	5,779
Other creditors	405,460	356,254	82,086	29,297
Accruals and deferred income	681,317	475,924	42,253	8,102
	<u>3,243,848</u>	<u>2,946,945</u>	<u>5,397,029</u>	<u>3,976,040</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 2012**

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

	<b>Group</b>		<b>Company</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	22,729,950	22,865,200	22,729,950	22,865,200
Other loans	1,529,893	1,542,414	677,000	690,000
	<u>24,259,843</u>	<u>24,407,614</u>	<u>23,406,950</u>	<u>23,555,200</u>
<b>Analysis of loans</b>				
Wholly repayable within five years				
Bank loans	21,680,000	23,120,000	21,680,000	23,120,000
Revolving credit facility	2,449,950	1,485,200	2,449,950	1,485,200
Other loans	1,529,893	1,542,414	677,000	690,000
	<u>25,659,843</u>	<u>26,147,614</u>	<u>24,806,950</u>	<u>25,295,200</u>
Included in current liabilities	<u>(1,400,000)</u>	<u>(1,740,000)</u>	<u>(1,400,000)</u>	<u>(1,740,000)</u>
	<u>24,259,843</u>	<u>24,407,614</u>	<u>23,406,950</u>	<u>23,555,200</u>
<b>Loan maturity analysis</b>				
In more than one year but not more than two years	22,729,950	22,865,200	22,729,950	22,865,200
In more than two years but not more than five years	<u>1,529,893</u>	<u>1,542,414</u>	<u>677,000</u>	<u>690,000</u>

The bank loan and revolving credit facility are secured by debenture and an unlimited inter company composite guarantee between the group and connected companies, supported by first legal charges over the assets of the company and other group and connected companies. At the balance sheet date, interest was charged on the bank loan between 2.25% and 2.50% above LIBOR dependent upon the loan to market value of the secured properties, and on the revolving credit facility at 3%.

At the balance sheet date the group had 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. During September 2012 the company renewed its loan and revolving credit facilities with its existing bankers for a further four years increasing the facilities to a combined £28,000,000. The company will also be entering into an interest rate hedge arrangement to reflect the new facility.

# ABBEY TOTAL CARE GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

### 12 Provisions for liabilities

Deferred tax is provided as follows.

	Group 2012 £	2011 £	Company 2012 £	2011 £
Accelerated capital allowances	13,001	-	-	-
Tax losses available	(13,001)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 13 Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
321 Ordinary shares of £1 each	<u>321</u>	<u>321</u>

# **ABBEY TOTAL CARE GROUP LIMITED**

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

**FOR THE YEAR ENDED 30 APRIL 2012**

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

	Revaluation reserve £	Merger reserve £	Profit and loss account £
Balance at 1 May 2011	15,239,064	(357,491)	758,263
Profit for the year	-	-	573,871
Revaluation during the year	1,984,486	-	-
Balance at 30 April 2012	<u>17,223,550</u>	<u>(357,491)</u>	<u>1,332,134</u>

### **Company**

	Profit and loss account £
Balance at 1 May 2011	123,959
Loss for the year	(104,231)
Balance at 30 April 2012	<u>19,728</u>

### **Loss 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 for the financial year is disclosed in note 16.

### **15 Minority interests**

	2012 £	2011 £
Minority interests' share of net assets and liabilities in subsidiary undertakings	<u>536,298</u>	<u>566,352</u>



# **ABBEY TOTAL CARE GROUP LIMITED**

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

**FOR THE YEAR ENDED 30 APRIL 2012**

<b>16 Reconciliation of movements in shareholders' funds</b>	<b>2012</b>	<b>2011</b>
<b>Group</b>	<b>£</b>	<b>£</b>
Profit for the financial year	573,871	158,993
Other recognised gains and losses	1,984,486	-
Net addition to shareholders' funds	2,558,357	158,993
Opening shareholders' funds	15,640,157	15,481,164
Closing shareholders' funds	18,198,514	15,640,157

<b>Company</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	(104,231)	(89,448)
Opening shareholders' funds	124,280	213,728
Closing shareholders' funds	20,049	124,280

<b>17 Directors' remuneration</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	159,200	166,460
Company pension contributions to defined contribution schemes	100,000	120,000
	259,200	286,460

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2011 - 2)

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

Remuneration for qualifying services	81,799	84,660
Company pension contributions to defined contribution schemes	50,000	70,000

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 2012

### 18 Employees

#### Number of employees

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

	2012 Number	2011 Number
Resident welfare	464	445
Administration	30	30
	<u>494</u>	<u>475</u>

#### Employment costs

	2012 £	2011 £
Wages and salaries	7,000,038	6,441,489
Social security costs	482,348	444,266
Other pension costs	252,566	802,566
	<u>7,734,952</u>	<u>7,688,321</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 2012

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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 £604,802 (2011 - £979,639), management fees and repairs and maintenance charges totalling £689,851 (2011 - £606,134), short life assets totalling £141,268 (2011 - £138,486) and furniture and fixtures totalling £236,264 (2011 - £261,148) At the year end, Design & Construct (London) Ltd owed the group £61,647 (2011 - £130,638)

During the year, the group paid interest of £39,838 (2011 - £39,837) 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 £775,226 (2011 - £774,747)

During the year, the group paid interest of £4,000 (2011 - £4,000) to Gathercrest Ltd, a company controlled by family members of the director At the year end, the group owed Gathercrest Ltd £77,667 (2011 - £77,667)

During the year, Onetree Estates Ltd, a company under the control of J M Patel's brother, paid the group interest of £50,038 (2011 - £47,334) At the year end, Onetree Estates Ltd owed the group £1,705,318 (2011 - £1,719,534)

At the year end, the group was owed £32,881 (2011 - £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, the group owed the directors, J M Patel, £2,539 (2011 - £2,671) and D J Patel £95 (2011 - £5,036)

At the year end, the group owed family members of the directors £26,072 (2011 - £21,590)

At the year end, the group was due £Nil (2011 - £7,965) from family members of the directors

Included in other loans is a loan from the company's pension scheme of £677,000 (2011 - £690,000) which is repayable on 18th April 2016 Interest is payable on this loan at a rate of 1% above the base rate

# ABBEY TOTAL CARE GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2012

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### 20 Related party transactions

(continued)

#### Company

At the year end, the company owed the directors of the company, J M Patel £2,539 (2011 - £2,671) and D J Patel £95 (2011 - £5,036)

At the year end, the company owed family members of the directors £26,072 (2011 - £21,590)

At the year end, the company was due £Nil from family members of the directors (2011 - £7,965)

At the year end, the company was due £148,197 (2011 - £194,066) from Design & Construct (London) Ltd, a company controlled by J M Patel

During the year, interest of £50,038 (2011 - £47,334) was received from Onetree Estates Ltd At the year end, the company was due £1,458,420 (2011 - £1,496,343) from Onetree Estates Ltd

Included in other loans is a loan from the company's pension scheme of £677,000 (2011 - £690,000) 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