

Company Registration No. 04832515 (England and Wales)

**ABBHEY CARE COMPLEX LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 30 APRIL 2014**

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# **ABBHEY CARE COMPLEX LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr J M Patel Mrs D J Patel
<b>Secretary</b>	Mrs D J Patel
<b>Company number</b>	04832515
<b>Registered office</b>	9 Sparelease Hill Loughton Essex IG10 1BS
<b>Auditors</b>	Alwyns LLP Crown House 151 High Road Loughton Essex IG10 4LG

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# **ABBAY CARE COMPLEX LIMITED**

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# ABBAY CARE COMPLEX LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 APRIL 2014**

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The directors present the Annual Report for the year ended 30 April 2014.

### **Review of the business**

The principal activity of the company continued to be that of the running of a care home.

Turnover has increased from last year by 12.5%, bringing performance back in line with 2012 after premises alterations in the earlier months of the previous year reduced bed saleability. Work has now begun at the home to develop Supported Living Accommodation for future residents.

The company forms part of the Abbey Total Care Group and 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 company is not aware of any such matters that may have a material impact on its financial position.

The care market is fairly steady, but the company closely monitors market trends and takes action to address issues that may affect its trading. Active participation with the service users ensures new ways of meeting their changing needs. The company also maintains tight control over its underlying cost base in order to be able to continue to offer competitive pricing.

The company's operations are regulated by the Care Quality Commission and the company has continuously provided fully compliant services and complied with laws governing businesses in general, including health and safety, labour and employment practices.

### **Principal risks**

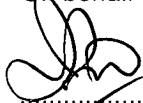
Risks relating to current economic and social care services climate:

The current economic environment and the pressure on public sector bodies to cut costs have an impact on the company's ability to achieve annual inflationary increases in residential and nursing fees. In most placements from local authority, the fee levels were maintained without any consideration to inflation or increase in care costs due to the introduction of Pension Reforms and staff welfare commitments.

Increasing care needs of the residents:

The increasing care needs of the frail and elderly people under existing local authority and NHS/Clinical Commissioning Group contracts presents significant risk of increasing cost and therefore impacting the maintenance of the headroom of profitability. Our ethos 'Our Care Your Happiness', obliges the company to meet the increasing care needs of the residents providing best quality care however the costs outgrow the standard fees levels set by the local authorities and the NHS.

On behalf of the board



Mr J M Patel

Director

21 September 2014

# **ABBEEY CARE COMPLEX LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 APRIL 2014**

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### **Results and dividends**

The results for the year are set out on page 6.

### **Directors**

The following directors have held office since 1 May 2013:

Mr J M Patel

Mrs D J Patel

### **Financial instruments**

The Abbey Total Care Group, of which the company is a member, operates a centralised treasury function which is responsible for managing the liquidity, interest and credit risks associated with the group's activities.

#### **Treasury operations and financial instruments:**

The group's principal financial instruments include 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.

#### **Interest rate risk:**

The group is exposed to fair value interest rate risk on its borrowings and cash flow 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 group 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.

# ABBHEY CARE COMPLEX LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2014**

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### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

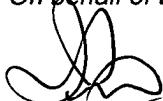
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

### Statement of disclosure to auditors

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

On behalf of the board



Mr J M Patel

Director

21 September 2014

# **ABBEY CARE COMPLEX LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF ABBEY CARE COMPLEX LIMITED**

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We have audited the financial statements of Abbey Care Complex Limited for the year ended 30 April 2014 set out on pages 6 to 12. 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 page 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 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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 company's affairs as at 30 April 2014 and of its 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# ABBEY CARE COMPLEX LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF ABBEY CARE COMPLEX 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Alwyns LLP

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

23 September 2014

Chartered Accountants  
Statutory Auditor

Crown House  
151 High Road  
Loughton  
Essex  
IG10 4LG



# ABBHEY CARE COMPLEX LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2014

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	Notes	2014 £	2013 £
Turnover	2	1,356,640	1,205,725
Cost of sales		(852,712)	(806,496)
Gross profit		503,928	399,229
Administrative expenses		(151,286)	(223,250)
Other operating income		7,394	4,620
Operating profit	3	360,036	180,599
Interest payable and similar charges	4	(58,350)	(63,936)
Profit on ordinary activities before taxation		301,686	116,663
Tax on profit on ordinary activities	5	(27,187)	(9,841)
Profit for the year	10	274,499	106,822

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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.

# **ABBAY CARE COMPLEX LIMITED**

## **BALANCE SHEET**

**AS AT 30 APRIL 2014**

	Notes	2014 £	£	2013 £	£
<b>Fixed assets</b>					
Tangible assets	6		4,780,161		4,823,720
<b>Current assets</b>					
Debtors	7	85,855		99,086	
Cash at bank and in hand		15,243		75,338	
		101,098		174,424	
<b>Creditors: amounts falling due within one year</b>	8	(4,287,132)		(4,678,516)	
<b>Net current liabilities</b>			(4,186,034)		(4,504,092)
<b>Total assets less current liabilities</b>			594,127		319,628
<b>Capital and reserves</b>					
Called up share capital	9		1		1
Revaluation reserve	10		693,042		693,042
Profit and loss account	10		(98,916)		(373,415)
<b>Shareholders' funds</b>	11		594,127		319,628

Approved by the Board and authorised for issue on 21 September 2014



Mr J M Patel  
Director

Company Registration No. 04832515

# ABBEEY CARE COMPLEX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 APRIL 2014**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards.

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

The company is dependent upon the support of its parent undertaking. The directors are confident that this support will continue and therefore the financial statements have been prepared on a going concern basis.

The company has taken advantage of the exemption in Financial Reporting Standard Number 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

#### **1.2 Turnover**

Turnover represents amounts receivable for services provided.

#### **1.3 Tangible fixed assets and depreciation**

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

Equipment (short life)	over a period of 3 years
Fixtures, fittings & equipment	25% reducing balance
Integral Features	10% reducing balance

Contrary to the accounting requirement of the Companies Act 2006, depreciation is not provided in respect of the company's freehold buildings. The directors believe that the company fully meet the criteria laid down by the Financial Reporting Standard Number 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 these 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 company'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.

### **2 Turnover**

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

# **ABBEEY CARE COMPLEX LIMITED**

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

**FOR THE YEAR ENDED 30 APRIL 2014**

<b>3</b>	<b>Operating profit</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Depreciation of tangible assets	43,888	57,127
	Auditors' remuneration	660	693
	Directors' remuneration and other benefits	-	-
		<u>          </u>	<u>          </u>
	No director accrued pension benefits from the company.		
<b>4</b>	<b>Interest payable</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	On group bank loans and overdrafts	58,350	63,936
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Taxation</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	26,347	9,841
	Adjustment for prior years	840	-
		<u>          </u>	<u>          </u>
	<b>Total current tax</b>	<b>27,187</b>	<b>9,841</b>
		<u>          </u>	<u>          </u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	301,686	116,663
		<u>          </u>	<u>          </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 22.84% (2013 - 23.92%)	68,905	27,906
		<u>          </u>	<u>          </u>
	Effects of:		
	Depreciation add back	10,024	13,665
	Capital allowances	(17,632)	(22,043)
	Group relief	(34,945)	(8,988)
	Prior year tax adjustments	840	-
	Other tax adjustments	(5)	(699)
		<u>          </u>	<u>          </u>
		(41,718)	(18,065)
		<u>          </u>	<u>          </u>
	<b>Current tax charge for the year</b>	<b>27,187</b>	<b>9,841</b>
		<u>          </u>	<u>          </u>

# **ABBEEY CARE COMPLEX LIMITED**

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

**FOR THE YEAR ENDED 30 APRIL 2014**

### **6 Tangible fixed assets**

	Freehold land and buildings £	Fixtures, fittings & equipment £	Total £
<b>Cost or valuation</b>			
At 1 May 2013	4,653,271	904,701	5,557,972
Additions	-	329	329
At 30 April 2014	4,653,271	905,030	5,558,301
<b>Depreciation</b>			
At 1 May 2013	-	734,252	734,252
Charge for the year	-	43,888	43,888
At 30 April 2014	-	778,140	778,140
<b>Net book value</b>			
At 30 April 2014	4,653,271	126,890	4,780,161
At 30 April 2013	4,653,271	170,449	4,823,720

### **Historical cost for the land and buildings included at valuation**

<b>Cost</b>	<b>£</b>
At 1 May 2013 & at 30 April 2014	3,960,229

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 plus additional costs since this date 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 £Nil.

<b>7 Debtors</b>	<b>2014 £</b>	<b>2013 £</b>
Trade debtors	71,313	74,714
Amounts owed by group undertakings	1,485	-
Other debtors	-	512
Prepayments and accrued income	13,057	23,860
	<u>85,855</u>	<u>99,086</u>

# **ABBEE CARE COMPLEX LIMITED**

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

**FOR THE YEAR ENDED 30 APRIL 2014**

<b>8</b>	<b>Creditors: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Trade creditors	54,578	34,850
	Amounts owed to group undertakings	4,124,097	4,556,103
	Corporation tax	26,347	9,841
	Other taxes and social security costs	7,129	8,441
	Other creditors	22,084	16,911
	Accruals and deferred income	52,897	52,370
		<u>4,287,132</u>	<u>4,678,516</u>

<b>9</b>	<b>Share capital</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	<b>Allotted, called up and fully paid</b>		
	1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

<b>10</b>	<b>Statement of movements on reserves</b>	<b>Revaluation reserve</b>	<b>Profit and loss account</b>
		<b>£</b>	<b>£</b>
	Balance at 1 May 2013	693,042	(373,415)
	Profit for the year	-	274,499
	Balance at 30 April 2014	<u>693,042</u>	<u>(98,916)</u>

<b>11</b>	<b>Reconciliation of movements in shareholders' funds</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Profit for the financial year	274,499	106,822
	Opening shareholders' funds	<u>319,628</u>	<u>212,806</u>
	Closing shareholders' funds	<u>594,127</u>	<u>319,628</u>

## **12** **Contingent liabilities**

At the balance sheet date there were contingent liabilities in respect of a debenture and unlimited intercompany guarantees to secure the group's bank loan and overdraft facilities of £24,667,372 by first legal charge over the assets of the company.

# ABBHEY CARE COMPLEX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

### 13 Employees

#### Number of employees

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

	2014 Number	2013 Number
Resident welfare	48	46
Administration	2	3
	<u>50</u>	<u>49</u>
<b>Employment costs</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages and salaries	599,227	607,910
Social security costs	25,989	38,474
	<u>625,216</u>	<u>646,384</u>

### 14 Parent company and controlling party

The immediate and ultimate parent company in both periods was Abbey Total Care Group Ltd, which owns 100% of the share capital.

The controlling party in both periods was Mr J M Patel, by virtue of his 100% shareholding in the parent company.

### 15 Related party relationships and transactions

During the year Design & Construct (London) Ltd charged property development costs of £Nil (2013 - £7,288), repairs and maintenance costs of £27,649 (2013 - £72,299) and fixtures and fittings costs of £Nil (2013 - £7,601).

At the year end £15,130 (2013 - £13,633) was owed to Design & Construct (London) Ltd. This company is under the control of the director, Mr J M Patel.

Included within amounts owed to group undertakings is £1,550 (2013 - £330,585) due to Planshore Ltd.

Included within amounts owed by group undertakings is £400 (2013 - £49,942 owed to group undertakings) due from Ryedowns Ltd.

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies.