

COATE WATER CARE COMPANY (CHURCH VIEW NURSING HOME) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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COATE WATER CARE COMPANY (CHURCH VIEW NURSING HOME) LIMITED
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COATE WATER CARE COMPANY (CHURCH VIEW NURSING HOME) LIMITED
COMPANY INFORMATION

Directors	G Smith C Smith
Company secretary	G Smith
Registered office	261 Malborough Road Swindon Wiltshire SN3 1NW
Bankers	Natwest Bank plc 68 - 70 Suffolk Road Cheltenham GL50 2ZB
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

COATE WATER CARE COMPANY (CHURCH VIEW NURSING HOME) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2013

The directors present their report and the financial statements for the year ended 31 March 2013

Principal activity

The principal activity of the company is the operation of nursing homes

Directors of the company

The directors who held office during the year were as follows

G Smith - Company secretary and director

C Smith

Business review

Fair review of the business

The results for the year which are set out in the profit and loss account, show turnover for the year of £2,287,710 (2012 - £1,061,120) and operating profit of £425,444 (2012 - £157,907). At 31 March 2013, the company had net assets of £342,834 (2012 - £66,753). The directors consider that the financial position of the company at the year end is satisfactory.

On 2 October 2012, the trade and net assets of two unincorporated businesses known as Mockley Manor Nursing Home and Westley Court Nursing Home were acquired by the company. The principal activity of these businesses is that of nursing homes.

Key performance indicators

Given the nature of the business, the company's directors are of the opinion that key performance indicators are important. The group uses a number of indicators to monitor and improve development and performance of the position of the business. Indicators are reviewed and altered to meet changes both in the internal and external environments. The directors do not consider the inclusion of an analysis, using key performance indicators, to be necessary to assist users of the financial statements in their understanding of the financial performance or the position of the company.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to the continued provision of adequate government funding and the ongoing compliance with current and future legislation affecting the sector.

Financial instruments

Objectives and policies

The directors constantly monitor the company's trading results and revise projections as appropriate to ensure that the company can meet its future obligations as they fall due.

COATE WATER CARE COMPANY (CHURCH VIEW NURSING HOME) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2013

Price risk, credit risk, liquidity risk and cash flow risk

The company is exposed to the usual credit and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that price and liquidity risks are minimised by the predetermination of the company funding facilities and terms.

In accordance with the Financial Reporting Council's 'Going Concern and Liquidity Risk Guidance for Directors of UK Companies 2009', the directors of all companies are now required to provide disclosures regarding the adoption of the going concern basis of accounting.

The company has sufficient resources available and continues to trade profitably generating cash. The directors have prepared forecasts for the next 12 months that indicate that these trends will continue. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and has continued to adopt the going concern basis in preparing the financial statements.

Future developments

The external commercial environment is expected to remain competitive in the remainder of 2013. However, the directors remain confident that the company will improve its current level of performance in the future and will continue to trade as a going concern.

Disclosure of information to the auditors

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Reappointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

Medium sized company provisions

This report has been prepared in accordance with the special provisions relating to medium-sized companies within Part 15 of the Companies Act 2006.

Approved by the Board on 21 10 13 and signed on its behalf by



G Smith
Company secretary and director

COATE WATER CARE COMPANY (CHURCH VIEW NURSING HOME) LIMITED
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 profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
COATE WATER CARE COMPANY (CHURCH VIEW NURSING HOME) LIMITED**

We have audited the financial statements of Coate Water Care Company (Church View Nursing Home) Limited for the year ended 31 March 2013, set out on pages 7 to 16. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), 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 (APB'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 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 the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
COATE WATER CARE COMPANY (CHURCH VIEW NURSING HOME) LIMITED**

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


Andrew Brookes (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditors

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date 5 November 2013

COATE WATER CARE COMPANY (CHURCH VIEW NURSING HOME) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 £	2012 £
Turnover			
Continuing operations		1,060,678	1,061,120
Acquisitions		1,227,032	-
		<u>2,287,710</u>	<u>1,061,120</u>
Cost of sales	2	(1,333,835)	(681,004)
Gross profit		<u>953,875</u>	<u>380,116</u>
Administrative expenses	2	(533,478)	(222,209)
Other operating income	2	5,047	-
Operating profit	3		
Continuing operations		133,073	157,907
Acquisitions		292,371	-
		<u>425,444</u>	<u>157,907</u>
Operating profit		<u>425,444</u>	<u>157,907</u>
Interest payable and similar charges	5	(62,469)	-
Profit on ordinary activities before taxation		<u>362,975</u>	<u>157,907</u>
Tax on profit on ordinary activities	6	(86,894)	(39,151)
Profit for the financial year	14	<u>276,081</u>	<u>118,756</u>

The company has no recognised gains or losses for the year other than the results above

COATE WATER CARE COMPANY (CHURCH VIEW NURSING HOME) LIMITED
(REGISTRATION NUMBER 4952292)
BALANCE SHEET
AS AT 31 MARCH 2013

	Note	2013 £	2012 £
Fixed assets			
Intangible fixed assets	7	824,124	-
Tangible fixed assets	8	<u>5,164,757</u>	<u>1,089,095</u>
		<u>5,988,881</u>	<u>1,089,095</u>
Current assets			
Debtors	9	202,626	61,462
Cash at bank and in hand		<u>645,342</u>	<u>15,943</u>
		<u>847,968</u>	<u>77,405</u>
Creditors Amounts falling due within one year	10	<u>(509,527)</u>	<u>(1,089,415)</u>
Net current assets/(liabilities)		<u>338,441</u>	<u>(1,012,010)</u>
Total assets less current liabilities		<u>6,327,322</u>	<u>77,085</u>
Creditors Amounts falling due after more than one year	11	<u>(5,977,285)</u>	-
Provisions for liabilities	12	<u>(7,203)</u>	<u>(10,332)</u>
Net assets		<u>342,834</u>	<u>66,753</u>
Capital and reserves			
Called up share capital	13	1	1
Profit and loss account	14	<u>342,833</u>	<u>66,752</u>
Shareholders' funds	15	<u>342,834</u>	<u>66,753</u>

Approved by the Board and authorised for issue on 21 '0.13 and signed on its behalf by



G Smith
Company secretary and director

COATE WATER CARE COMPANY (CHURCH VIEW NURSING HOME) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention

Exemption from cash flow

The company has not presented a cash flow statement on the grounds that the company is a wholly owned subsidiary and a group cash flow statement is included in the financial statements of the parent company. The company is therefore exempt from the requirements of FRS 1.

Turnover

Turnover represents amounts receivable during the year for the provision of care and accommodation. Where the amount received relates to a period which covers the balance sheet date, that amount is apportioned over the period to which it relates.

Goodwill

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life, considered by the directors to be a maximum of 10 years from the date of acquisition. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation, from the date of addition. Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold buildings	1% on cost
Fixtures, fittings and equipment	25% reducing balance

Freehold land is not depreciated.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by the Financial Reporting Standard for Smaller Entities (effective April 2008).

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

COATE WATER CARE COMPANY (CHURCH VIEW NURSING HOME) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

2 Cost of sales and operating expenses

	2013	2012
	£	£
Cost of sales		
Continuing operations	1,333,835	681,004
Administrative expenses		
Continuing operations	<u>533,478</u>	<u>222,209</u>
Other operating income		
Continuing operations	<u>5,047</u>	<u>-</u>

The total figures for continuing operations in the year ending 31 March 2013 includes the following amounts relating to acquisitions

	£
Cost of sales	762,860
Administrative expenses	<u>171,801</u>

3 Operating profit

Operating profit is stated after charging

	2013	2012
	£	£
Operating leases - plant and machinery	1,151	788
Operating leases - other assets	14,089	-
Auditor's remuneration - The audit of the company's annual accounts	6,350	3,850
Depreciation of owned assets	73,909	55,319
Amortisation	<u>43,376</u>	<u>-</u>

COATE WATER CARE COMPANY (CHURCH VIEW NURSING HOME) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

4 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows

	2013 No.	2012 No
Administration staff	3	1
Care staff	101	63
	<u>104</u>	<u>64</u>

The aggregate payroll costs were as follows

	2013 £	2012 £
Wages and salaries	1,159,544	615,645
Social security costs	69,264	37,836
	<u>1,228,808</u>	<u>653,481</u>

5 Interest payable and similar charges

	2013 £	2012 £
Interest on bank borrowings	<u>62,469</u>	<u>-</u>

COATE WATER CARE COMPANY (CHURCH VIEW NURSING HOME) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

6 Taxation

Tax on profit on ordinary activities

	2013	2012
	£	£
Current tax		
Corporation tax charge	91,490	38,395
Adjustments in respect of previous years	(1,467)	-
UK Corporation tax	<u>90,023</u>	<u>38,395</u>
Deferred tax		
Origination and reversal of timing differences	<u>(3,129)</u>	<u>756</u>
Total tax on profit on ordinary activities	<u><u>86,894</u></u>	<u><u>39,151</u></u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is higher than (2012 - lower than) the standard rate of corporation tax in the UK of 24% (2012 - 26%)

The differences are reconciled below

	2013	2012
	£	£
Profit on ordinary activities before taxation	<u>362,975</u>	<u>157,907</u>
Corporation tax at standard rate	87,114	41,056
Depreciation in excess of capital allowances	3,244	561
Expenses not deductible for tax purposes	4,384	5,400
Adjustment for prior period	(1,467)	-
Marginal rate relief	<u>(3,252)</u>	<u>(8,622)</u>
Total current tax	<u><u>90,023</u></u>	<u><u>38,395</u></u>

COATE WATER CARE COMPANY (CHURCH VIEW NURSING HOME) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

7 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2012	1
Additions	867,500
At 31 March 2013	<u>867,501</u>
Amortisation	
At 1 April 2012	1
Charge for the year	43,376
At 31 March 2013	<u>43,377</u>
Net book value	
At 31 March 2013	<u>824,124</u>
At 31 March 2012	<u>-</u>

On 2 October 2012, the trade and net assets of two unincorporated businesses known as Mockley Manor Nursing Home and Westley Court Nursing Home were acquired by the company

8 Tangible fixed assets

	Freehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 April 2012	1,036,381	660,463	1,696,844
Additions	4,028,479	121,092	4,149,571
At 31 March 2013	<u>5,064,860</u>	<u>781,555</u>	<u>5,846,415</u>
Depreciation			
At 1 April 2012	86,108	521,641	607,749
Charge for the year	26,324	47,585	73,909
At 31 March 2013	<u>112,432</u>	<u>569,226</u>	<u>681,658</u>
Net book value			
At 31 March 2013	<u>4,952,428</u>	<u>212,329</u>	<u>5,164,757</u>
At 31 March 2012	<u>950,273</u>	<u>138,822</u>	<u>1,089,095</u>

Freehold land of £1,005,271 (2012 £207,276) is not depreciated

COATE WATER CARE COMPANY (CHURCH VIEW NURSING HOME) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

9 Debtors

	2013	2012
	£	£
Trade debtors	160,675	43,268
Other debtors	13,785	3,658
Directors' current accounts	8,000	-
Prepayments and accrued income	20,166	14,536
	<u>202,626</u>	<u>61,462</u>

10 Creditors Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	11,230	10,011
Bank loan	177,486	-
Amounts owed to parent company	-	974,821
Corporation tax	91,490	38,395
Other taxes and social security	31,664	11,871
Other creditors	1,551	1,373
Accruals and deferred income	196,106	52,944
	<u>509,527</u>	<u>1,089,415</u>

Details of debt including security are disclosed in note 11 to the financial statements

11 Creditors Amounts falling due after more than one year

	2013	2012
	£	£
Bank loan	4,528,965	-
Amounts owed to parent undertaking	1,448,320	-
	<u>5,977,285</u>	<u>-</u>

The bank loan is secured with a guarantee by Mr C and Mrs G Smith and is supported by a legal charge over the freehold properties of the company

The loan of £4,706,451 is to be repaid in 20 quarterly instalments commencing on 9 October 2012. Interest is charged at 2.25% above LIBOR.

COATE WATER CARE COMPANY (CHURCH VIEW NURSING HOME) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

12 Provisions

	Deferred tax £
At 1 April 2012	10,332
Credited to the profit and loss account	<u>(3,129)</u>
At 31 March 2013	<u>7,203</u>

Analysis of deferred tax

	2013 £	2012 £
Excess of taxation allowances over depreciation on fixed assets	<u>7,203</u>	<u>10,332</u>

13 Share capital

Allotted, called up and fully paid shares

	2013		2012	
	No	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

14 Reserves

	Profit and loss account £
At 1 April 2012	66,752
Profit for the year	<u>276,081</u>
At 31 March 2013	<u>342,833</u>

15 Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Profit attributable to the members of the company	276,081	118,756
Net addition to shareholders' funds	<u>276,081</u>	<u>118,756</u>
Shareholders' funds/(deficit) at 1 April	<u>66,753</u>	<u>(52,003)</u>
Shareholders' funds at 31 March	<u>342,834</u>	<u>66,753</u>

COATE WATER CARE COMPANY (CHURCH VIEW NURSING HOME) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

16 Contingent liabilities

The company is bound by an intra-group cross guarantee in respect of bank debt with other members of the group headed by its ultimate parent undertaking, Coate Water Care Company Limited. The amount guaranteed is £8,316,272 (2012 - £3,588,649)

17 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group

At 31 March 2013, the company was owed £8,000 (2012: £nil) from Mr C and Mrs G Smith in the form of an overdrawn directors loan account. No interest was charged by the company during the year in respect of this loan and there are no fixed repayment terms.

The maximum amount owed by Mr C and Mrs G Smith in the year in respect of the overdrawn directors loan account was £8,000.

18 Control

The company is controlled by Coate Water Care Company Limited, a company registered in England and Wales and which is jointly controlled by Mr C and Mrs G Smith.