

ABBAY HEALTHCARE (FARNWORTH) LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016



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ABBEY HEALTHCARE (FARNWORTH) LIMITED
REGISTERED NUMBER:05156742

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	5	111,040	101,194
		<u>111,040</u>	<u>101,194</u>
Current assets			
Debtors: amounts falling due within one year	6	4,577,699	4,426,992
Cash at bank and in hand		197,525	20,738
		<u>4,775,224</u>	<u>4,447,730</u>
Creditors: amounts falling due within one year	7	(4,718,479)	(4,443,883)
Net current assets		<u>56,745</u>	<u>3,847</u>
Total assets less current liabilities		<u>167,785</u>	<u>105,041</u>
Net assets		<u>167,785</u>	<u>105,041</u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		166,785	104,041
		<u>167,785</u>	<u>105,041</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


P Sodhi
Director

29/9/2017

Date:

The notes on pages 3 to 8 form part of these financial statements.

ABBHEY HEALTHCARE (FARNWORTH) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2015	1,000	204,182	205,182
Comprehensive income for the year			
Loss for the year	-	(100,141)	(100,141)
Total comprehensive income for the year	-	(100,141)	(100,141)
At 1 January 2016	1,000	104,041	105,041
Comprehensive income for the year			
Profit for the year	-	62,744	62,744
Total comprehensive income for the year	-	62,744	62,744
At 31 December 2016	1,000	166,785	167,785

ABBEY HEALTHCARE (FARNWORTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

Abbey Healthcare (Farnworth) Limited is a private company limited by shares incorporated in England within the United Kingdom. The address of the registered office is Sutherland House, 70-78 West Hendon Broadway, London NW9 7BT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of the financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared under the going concern basis, which is dependent on the continuing financial and operational support of Abbey Healthcare Group who have indicated their intention to continue to provide such support for a period of not less than twelve months from the date of signing of these financial statements. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

2.3 Revenue

Turnover comprises revenue recognised by the company in respect of care services supplied during the year. Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

ABBEY HEALTHCARE (FARNWORTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Motor vehicles	- 20% Reducing balance
Fixtures and fittings	- 15% Reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.7 Financial instruments (continued)

- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP and the financial statements are rounded to the nearest £1.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

ABBHEY HEALTHCARE (FARNWORTH) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)**2.10 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.11 Pensions**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.13 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

No significant judgments have been made by management in preparing these financial statements.

4. Employees

The average monthly number of employees, including the director, during the year was as follows:

	2016 No.	2015 No.
Care Home Staff	100	105
Management Staff	1	1
	101	106

ABBAY HEALTHCARE (FARNWORTH) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2016	34,245	121,064	155,309
Additions	-	26,307	26,307
At 31 December 2016	<u>34,245</u>	<u>147,371</u>	<u>181,616</u>
Depreciation			
At 1 January 2016	31,879	22,236	54,115
Charge for the year on owned assets	473	15,988	16,461
At 31 December 2016	<u>32,352</u>	<u>38,224</u>	<u>70,576</u>
Net book value			
At 31 December 2016	<u>1,893</u>	<u>109,147</u>	<u>111,040</u>
At 31 December 2015	<u>2,366</u>	<u>98,828</u>	<u>101,194</u>

6. Debtors

	2016 £	2015 £
Trade debtors	185,372	254,738
Amounts owed by group undertakings	3,969,908	3,934,436
Other debtors	393,429	214,579
Prepayments and accrued income	28,990	23,239
	<u>4,577,699</u>	<u>4,426,992</u>

ABBHEY HEALTHCARE (FARNWORTH) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	2	4
Trade creditors	103,665	122,254
Amounts owed to group undertakings	4,203,386	3,912,092
Other taxation and social security	218,338	198,896
Other creditors	35,502	33,385
Accruals and deferred income	157,586	177,252
	<u>4,718,479</u>	<u>4,443,883</u>

8. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £14,928 (2015 - £13,525). Contributions totalling £3,682 (2015 - £1,565) were payable to the fund at the balance sheet date and are included in creditors.

9. Controlling party

The company was under the control of the Trustees of the Prabhdyal Sodhi, Overseas Settlement throughout the year, an entity based in Gibraltar.

The immediate parent company of Abbey Healthcare (Farnworth) Limited is Lansbury Limited.

10. First time adoption of FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2015. The last financial statements prepared under the previous UK GAAP were for the year ended 31 December 2015.

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

11. Auditor's information

The auditor's report was unqualified and signed by Rakesh Shaunak as Senior Statutory Auditor on behalf of MHA Macintyre Hudson.