

BROADHAM CARE LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

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BROADHAM CARE LIMITED

COMPANY INFORMATION

DIRECTORS

G H Wise
S G Wise (deceased 14 June 2014)
M J Plant
J J Jordan
S A Green (appointed 26 June 2014)

REGISTERED NUMBER

05442152

REGISTERED OFFICE

Vector House
Merle Common Road
Oxted
Surrey
RH8 0RP

INDEPENDENT AUDITORS

Simmons Gainsford LLP
Chartered Accountants & Registered Auditors
52 New Town
Uckfield
TN22 5DE

BROADHAM CARE LIMITED

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BROADHAM CARE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014

INTRODUCTION

The directors present their annual report and financial statements for the period ended 31 March 2014.

BUSINESS REVIEW

Sales income in the period has been strong and we have ensured a high occupancy rate in all our eight homes. We are planning to continue growth by adding individual client rooms to our existing houses.

PRINCIPAL RISKS AND UNCERTAINTIES

Market risks

Risks to the business include our fees funded by the government with possible changes in adult social care policy.

Increased pressure on costs including pension provision, insurance premiums, food and utilities with generally no fee increases.

Operation risks

Inspections by the C.Q.C. finding an area of non compliance in the maintenance of our high standards of care.

Keeping our vulnerable clients safe and secure at all times as there could be risk of a client absconding.

Liquidity risks

The company's cash flow is closely managed to ensure that adequate funds are available to meet liabilities as they fall due. Debtors are reviewed regularly to ensure that accounts do not fall overdue. We maintain a good relationship with our bank to ensure any requests for funds would be viewed kindly.

FINANCIAL KEY PERFORMANCE INDICATORS

	2014 £m	2013 £m	2012 £m
Turnover	6.4	5.9	5.3
Net profit in excess of	4%	4%	4%
Occupancy rate	98%	95%	96%

This report was approved by the board and signed on its behalf.

M J Plant
Director

Date: 24/09/14

BROADHAM CARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and the financial statements for the year ended 31 March 2014.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, 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 then apply them consistently;
- make judgments 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.

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of provision of care home facilities for individuals with learning disabilities.

RESULTS

The results for the year can be found in the strategic report on page 1.

DIRECTORS

The directors who served during the year were:

G H Wise
S G Wise (deceased 14 June 2014)
M J Plant
J J Jordan

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

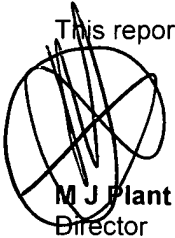
BROADHAM CARE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2014**

AUDITORS

The auditors, Simmons Gainsford LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



M J Plant
Director

Date: 24/09/14

BROADHAM CARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BROADHAM CARE LIMITED

We have audited the financial statements of Broadham Care Limited for the year ended 31 March 2014, set out on pages 6 to 17. 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, 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 Strategic report and the Directors' 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 31 March 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 the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

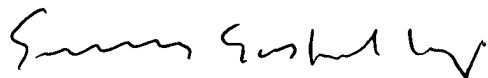
BROADHAM CARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BROADHAM CARE 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.



Martyn Pizer (Senior statutory auditor)

for and on behalf of

Simmons Gainsford LLP

Chartered Accountants
Statutory Auditors

52 New Town

Uckfield

TN22 5DE

Date: 24/09/14

BROADHAM CARE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £	2013 £
TURNOVER	1,2	6,430,944	5,949,502
Cost of sales		(4,643,990)	(4,432,059)
GROSS PROFIT		1,786,954	1,517,443
Administrative expenses		(405,225)	(477,682)
OPERATING PROFIT	3	1,381,729	1,039,761
Interest receivable and similar income		-	230
Interest payable and similar charges	6	(234,469)	(273,608)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,147,260	766,383
Tax on profit on ordinary activities	7	(258,864)	(156,160)
PROFIT FOR THE FINANCIAL YEAR	14	888,396	610,223

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 9 to 17 form part of these financial statements.

BROADHAM CARE LIMITED
REGISTERED NUMBER: 05442152

BALANCE SHEET
AS AT 31 MARCH 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	8		8,809,143		8,866,834
CURRENT ASSETS					
Debtors	9	496,546		326,223	
Cash at bank and in hand		308,653		437,478	
		<u>805,199</u>		<u>763,701</u>	
CREDITORS: amounts falling due within one year	10	(1,131,827)		(654,378)	
NET CURRENT (LIABILITIES)/ASSETS			(326,628)		109,323
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,482,515</u>		<u>8,976,157</u>
CREDITORS: amounts falling due after more than one year	11		(7,052,039)		(8,150,835)
PROVISIONS FOR LIABILITIES					
Deferred tax	12		(195,079)		(178,321)
NET ASSETS			<u>1,235,397</u>		<u>647,001</u>
CAPITAL AND RESERVES					
Called up share capital	13		100,000		100,000
Profit and loss account	14		1,135,397		547,001
SHAREHOLDERS' FUNDS	15		<u>1,235,397</u>		<u>647,001</u>

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

M J Plant
Director

Date: 24/09/14

G H Wise
Director

Date: 24/09/14

The notes on pages 9 to 17 form part of these financial statements.

BROADHAM CARE LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	17	1,529,098	1,076,155
Returns on investments and servicing of finance	18	(234,469)	(273,378)
Taxation		(18,278)	-
Capital expenditure and financial investment	18	(6,318)	(40,353)
Equity dividends paid		(300,000)	-
CASH INFLOW BEFORE FINANCING		<u>970,033</u>	<u>762,424</u>
Financing	18	(1,098,858)	(667,584)
(DECREASE)/INCREASE IN CASH IN THE YEAR		<u><u>(128,825)</u></u>	<u><u>94,840</u></u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 £	2013 £
(Decrease)/Increase in cash in the year	(128,825)	94,840
Cash outflow from decrease in debt and lease financing	<u>1,098,858</u>	<u>667,584</u>
	<u>-</u>	<u>-</u>
MOVEMENT IN NET DEBT IN THE YEAR	<u>970,033</u>	<u>762,424</u>
Net debt at 1 April 2013	(7,977,505)	(8,739,929)
NET DEBT AT 31 MARCH 2014	<u><u>(7,007,472)</u></u>	<u><u>(7,977,505)</u></u>

The notes on pages 9 to 17 form part of these financial statements.

BROADHAM CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases, however as the expected residual value, and the depreciation which would otherwise be charged annually, and on a cumulative basis over the expected useful life is immaterial, depreciated has not been charged:

Freehold property	-	Not depreciated
Motor vehicles	-	25% on reducing balance
Fixtures and fittings	-	25% on reducing balance
Office equipment	-	25% on reducing balance
Furnishings	-	33% on reducing balance

1.4 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2. TURNOVER

The whole of the turnover is attributable to fee income generated from the provision of care home facilities.

All turnover arose within the United Kingdom.

BROADHAM CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

3. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	56,893	-
- held under finance leases	-	66,404
Auditors' remuneration	13,455	13,205
Operating lease rentals:		
- other operating leases	16,571	16,571
	<u>16,571</u>	<u>16,571</u>

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	3,357,987	3,230,829
Social security costs	275,090	263,539
	<u>3,633,077</u>	<u>3,494,368</u>

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

	2014 No.	2013 No.
Administration	7	7
House Operations	178	163
	<u>185</u>	<u>170</u>

5. DIRECTORS' REMUNERATION

	2014 £	2013 £
Remuneration	237,346	250,517
	<u>237,346</u>	<u>250,517</u>

The highest paid director received remuneration of £130,164 (2013 - £103,203).

BROADHAM CARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

6. INTEREST PAYABLE

	2014	2013
	£	£
On bank loans and overdrafts	222,469	248,072
On other loans	12,000	25,536
	<u>234,469</u>	<u>273,608</u>

7. TAXATION

	2014	2013
	£	£
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	242,106	18,277
Deferred tax (see note 12)		
Origination and reversal of timing differences	16,758	137,883
Tax on profit on ordinary activities	<u>258,864</u>	<u>156,160</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 23% (2013 - 20%). The differences are explained below:

	2014	2013
	£	£
Profit on ordinary activities before tax	<u>1,147,260</u>	<u>766,383</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 20%)	263,870	153,277
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	942	796
Capital allowances for year in excess of depreciation	(19,457)	(22,791)
Unrelieved tax losses carried forward	-	(113,005)
Marginal relief	(3,249)	-
Current tax charge for the year (see note above)	<u>242,106</u>	<u>18,277</u>

BROADHAM CARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

8. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £
Cost				
At 1 April 2013	8,653,791	138,941	220,963	74,198
Additions	196	10,900	2,162	2,550
Disposals	-	(20,155)	(18,657)	(27,052)
At 31 March 2014	8,653,987	129,686	204,468	49,696
Depreciation				
At 1 April 2013	-	60,100	139,734	43,287
Charge for the year	-	20,631	20,709	8,177
On disposals	-	(12,138)	(14,681)	(21,394)
At 31 March 2014	-	68,593	145,762	30,070
Net book value				
At 31 March 2014	8,653,987	61,093	58,706	19,626
At 31 March 2013	8,653,791	78,841	81,229	30,911
			House Furnishings £	Total £
Cost				
At 1 April 2013			81,382	9,169,275
Additions			1,035	16,843
Disposals			(186)	(66,050)
At 31 March 2014			82,231	9,120,068
Depreciation				
At 1 April 2013			59,320	302,441
Charge for the year			7,366	56,883
On disposals			(186)	(48,399)
At 31 March 2014			66,500	310,925
Net book value				
At 31 March 2014			15,731	8,809,143
At 31 March 2013			22,062	8,866,834

BROADHAM CARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

9. DEBTORS

	2014	2013
	£	£
Trade debtors	397,192	213,688
Other debtors	1,003	1,575
Prepayments and accrued income	98,351	110,960
	<u>496,546</u>	<u>326,223</u>

**10. CREDITORS:
Amounts falling due within one year**

	2014	2013
	£	£
Bank loans and overdrafts	264,086	264,148
Trade creditors	39,907	70,306
Corporation tax	242,105	18,277
Other taxation and social security	69,472	71,531
Other creditors	46,169	41,252
Accruals and deferred income	470,088	188,864
	<u>1,131,827</u>	<u>654,378</u>

**11. CREDITORS:
Amounts falling due after more than one year**

	2014	2013
	£	£
Bank loans	6,740,039	7,839,957
Other loans	312,000	310,878
	<u>7,052,039</u>	<u>8,150,835</u>

Included within the above are amounts falling due as follows:

	2014	2013
	£	£
Between one and two years		
Bank loans	271,492	271,554
Between two and five years		
Bank loans	831,829	861,202
Over five years		
Bank loans	5,636,718	6,707,201
Other loans	312,000	310,878

BROADHAM CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

11. CREDITORS: Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows:

	2014 £	2013 £
Repayable by instalments	5,948,718	7,018,079

The loan is secured by a fixed and floating charge over the assets of the company. One of the directors has a legal charge over the property, see related party transactions note.

12. DEFERRED TAXATION

	2014 £	2013 £
At beginning of year	178,321	40,438
Charge for year (P&L)	16,758	137,883
At end of year	195,079	178,321

The provision for deferred taxation is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	195,079	178,321

13. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000

14. RESERVES

	Profit and loss account £
At 1 April 2013	547,001
Profit for the financial year	888,396
Dividends: Equity capital	(300,000)
At 31 March 2014	1,135,397

BROADHAM CARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Opening shareholders' funds	647,001	36,778
Profit for the financial year	888,396	610,223
Dividends (Note 16)	(300,000)	-
	<u>1,235,397</u>	<u>647,001</u>
Closing shareholders' funds	<u>1,235,397</u>	<u>647,001</u>

16. DIVIDENDS

	2014	2013
	£	£
Dividends paid on equity capital	<u>300,000</u>	<u>-</u>

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014	2013
	£	£
Operating profit	1,381,729	1,039,761
Depreciation of tangible fixed assets	56,893	66,404
Loss on disposal of tangible fixed assets	7,116	4,912
Increase in debtors	(170,322)	(110,047)
Increase in creditors	253,682	75,125
	<u>1,529,098</u>	<u>1,076,155</u>
Net cash inflow from operating activities	<u>1,529,098</u>	<u>1,076,155</u>

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014	2013
	£	£
Returns on investments and servicing of finance		
Interest received	-	230
Interest paid	(234,469)	(273,608)
	<u>(234,469)</u>	<u>(273,378)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(234,469)</u>	<u>(273,378)</u>

BROADHAM CARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2014	2013
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(16,843)	(55,403)
Sale of tangible fixed assets	10,525	15,050
	-	-
	<u>(6,318)</u>	<u>(40,353)</u>
	2014	2013
	£	£
Financing		
Repayment of loans	(1,099,980)	(256,139)
Other new loans	1,122	-
Repayment of other loans	-	(411,445)
	<u>(1,098,858)</u>	<u>(667,584)</u>
Net cash outflow from financing		

19. ANALYSIS OF CHANGES IN NET DEBT

	1 April	Cash flow	Other	31 March
	2013		non-cash	2014
	£	£	changes	£
Cash at bank and in hand	437,478	(128,825)	-	308,653
Debt:				
Debts due within one year	(264,148)	1,098,858	(1,098,796)	(264,086)
Debts falling due after more than one year	(8,150,835)	-	1,098,796	(7,052,039)
Net debt	<u>(7,977,505)</u>	<u>970,033</u>	<u>-</u>	<u>(7,007,472)</u>

20. OPERATING LEASE COMMITMENTS

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	2013
	2014	£
	£	£
Expiry date:		
Within 1 year	16,571	16,571

BROADHAM CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

21. RELATED PARTY TRANSACTIONS

The amount shown as other loans falling due after more than one year, totalling £312,000 (2013 - £310,878) represents money due to G H Wise, a director and significant shareholder of the company. This loan is partly secured by legal charge over the freehold land and buildings in Eastbourne, Worthing, Bognor Regis, Oxted, Dover, and Staplehurst. During the year, the company was charged interest at market rates of 4% amounting to £12,000 (2013 - £25,536).

During the year the company paid dividends to directors to the value of £300,000 (2013 - £nil).