

Company Registration No. 06707890

Zest Investment (Portadown) Limited

Annual Report and Financial Statements

For the year ended 30 September 2016



Zest Investment (Portadown) Limited

Annual report and financial statements for the year ended 30 September 2016

Contents	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4
Profit and loss account	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9

Zest Investment (Portadown) Limited

Annual report and financial statements for the year ended 30 September 2016

Officers and professional advisers

Directors

G K Sizer
P H Scott

Registered Office

2nd Floor
16 High Street
Yarm
Cleveland
TS15 9AE

Auditor

Deloitte LLP
Statutory Auditor
Newcastle upon Tyne
United Kingdom

Zest Investment (Portadown) Limited

Directors' report for the year ended 30 September 2016

The directors present the Annual Report, together with the audited financial statements for the year ended 30 September 2016.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. The Company has also taken the small companies' exemption from the requirement to prepare a strategic report.

Activities

The principal activity of the company during the year has been the letting of property to Zest Care Homes Limited, a fellow group company.

Directors

The directors who served throughout the year and since were as follows:

G K Sizer
P H Scott

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies note, on page 9, of the financial statements.

Auditor


Each of the persons who are directors of the company at the date of this report confirms that:

- so far as the director is aware there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all 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 auditor is aware of this information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



G K Sizer
Director

22 June 2017

Zest Investment (Portadown) Limited

Directors' responsibilities statement for the year ended 30 September 2016

The directors are responsible for preparing the Annual 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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; 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 member of Zest Investment (Portadown) Limited

We have audited the financial statements of Zest Investment (Portadown) Limited for the year ended 30 September 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 11. 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's member, 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 member 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 member, 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 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 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 September 2016 and of its result 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 member of Zest Investment (Portadown) Limited (continued)

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' report or from the requirement to prepare a strategic report.



David Johnson BA FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Newcastle upon Tyne
United Kingdom

22 June 2017

Zest Investment (Portadown) Limited

Profit and loss account

For the year ended 30 September 2016

	Note	2016 £	2015 £
Turnover		-	-
Administrative expenses		-	(16)
Operating result/(loss)		-	(16)
Interest payable		-	(17,030)
Result/(Loss) on ordinary activities before taxation	3	-	(17,046)
Tax on loss on ordinary activities	4	(9,653)	(6,990)
(Loss) for the financial year		<u>(9,653)</u>	<u>(24,036)</u>

All activities derive from continuing operations.

The notes on pages 9 – 14 form an integral part of these financial statements.

There is no comprehensive income for the current financial year or preceding year other than as stated in the profit and loss account. Accordingly, no separate statement of comprehensive income is presented.

Zest Investment (Portadown) Limited

Balance sheet As at 30 September 2016

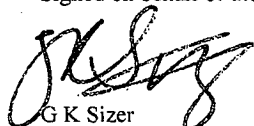
	Note	2016 £	2015 £
Fixed assets			
Tangible assets	5	<u>4,250,000</u>	<u>4,250,000</u>
Creditors: amounts falling due within one year	6	<u>(3,489,713)</u>	<u>(3,470,765)</u>
Net current liabilities		<u>(3,489,713)</u>	<u>(3,470,765)</u>
Total assets less current liabilities		<u>760,287</u>	<u>779,235</u>
Provision for liabilities and charges	7	<u>(139,403)</u>	<u>(148,698)</u>
Net assets		<u>620,884</u>	<u>630,537</u>
Capital and reserves			
Called-up share capital	8	<u>1</u>	<u>1</u>
Profit and loss account		<u>620,883</u>	<u>630,536</u>
Shareholder's funds		<u>620,884</u>	<u>630,537</u>

The notes on pages 9 – 14 form an integral part of these financial statements.

These financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

The financial statements of Zest Investment (Portadown) Limited, (registered number 06707890) were approved and authorised for issue by the Board of Directors and authorised for issue on 22 June 2017.

Signed on behalf of the Board of Directors


G K Sizer
Director

Zest Investment (Portadown) Limited

Statement of changes in equity For the year ended 30 September 2016

	Called-up share capital £	Profit and loss account £	Total £
At 30 September 2014 as previously stated	1	654,572	654,573
Changes on transition to FRS 102 (see note 11)	-	-	-
At 1 October 2014 as restated	1	654,572	654,573
Loss and total comprehensive income for the financial year	-	(24,036)	(24,036)
At 30 September 2015	1	630,536	630,537
Loss and total comprehensive income for the financial year	-	(9,653)	(9,653)
At 30 September 2016	1	620,883	620,884

Zest Investment (Portadown) Limited

Notes to the financial statements For the year ended 30 September 2016

1. Accounting policies

The particular accounting policies adopted by the directors are described below, and have been applied consistently for the current and prior year.

Basis of preparation

Zest Investment (Portadown) Limited is a company incorporated in the United Kingdom under the Companies Act. The Company is a private company limited by shares and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Director's Report on page 2.

The financial statements have been prepared in accordance with the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The prior year financial statements did not require a restatement for material adjustments on adoption of FRS 102 in the current year. See note 11 for more information.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company's Shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received. The Company is consolidated in the financial statements of its parent, Zest Investment Group Limited, which can be obtained from the Companies House at Crown Way, Cardiff, Wales CF14 3UZ. Exemptions have been taken in these separate Company financial statements in relation to a cash flow statement, related party transactions and remuneration of key management personnel.

Going concern

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of their current facility.

On the basis of their assessment of the Company's financial position the company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings 50 years

Residual value is calculated on prices prevailing at the date of acquisition or revaluation.

Zest Investment (Portadown) Limited

Notes to the financial statements (continued) For the year ended 30 September 2016

1. Accounting policies (continued)

Revaluation of properties

Individual freehold and leasehold properties are revalued to fair value every year with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax liabilities are not discounted.

Critical accounting judgements

In the application of the Company's accounting policies, which are described above in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. There are no critical accounting judgements in the preparation of the financial statements.

Key sources of estimation uncertainty

Impairment and valuation

The Company tests annually whether its assets have suffered any impairment. Where required, recoverable amounts are calculated using the higher of fair value less cost to sell, and value in use. Additionally, freehold properties are held at fair value per note 5, revalued on a sufficiently regular basis to avoid material differences between carrying value and fair value.

2. Employees

The average number of employees (including directors) was:

	2016 No.	2015 No.
Directors	<u>2</u>	<u>2</u>

No emoluments were received or are receivable by any director in respect of services during the current or preceding year.

3. Loss on ordinary activities before taxation

Audit fees of £2,030 (2015: £2,000) are paid by another group company. Fees payable to the Company's auditors for non-audit services amounting to £1,400 (2015: £1,400) have been paid by another group company.

Zest Investment (Portadown) Limited

Notes to the financial statements (continued) For the year ended 30 September 2016

4. Tax on (loss) on ordinary activities

The tax charge comprises:

	2016 £	2015 £
Current tax:		
UK corporation tax on profits for the period	18,948	-
Total current tax	<u>18,948</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	22,294	7,164
Adjustment in respect of previous periods	(6,989)	-
Effect of decrease in tax rates	(24,600)	(174)
Total deferred tax	<u>(9,295)</u>	<u>6,990</u>
Total tax on loss on ordinary activities	<u>9,653</u>	<u>6,990</u>

The standard rate of tax applied to reported profit on ordinary activities is 20% (2015 20.5%). The applicable tax rate has changed following substantive enactment of the Finance Act 2013. The Finance Act 2013 reduced the main rate of corporation tax to 20% effective from 1 April 2015. Finance No 2 Act 2015 which was substantively enacted on 26 October 2015 includes provisions to further reduce the corporation tax rate to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020. Accordingly deferred tax assets and liabilities at 30 September 2015 were calculated at the rates expected to be in force when the timing differences were projected to reverse. Finance Act 2016 which was substantively enacted on 6 September 2016 contains provisions to further reduce the rate of corporation tax to 17% with effect from 1 April 2020. Accordingly deferred tax assets and liabilities have been calculated at the rates which will be in force when the timing differences are projected to reverse.

During the year commencing 1 October 2016, the net reversal of deferred tax assets/liabilities is expected to increase the corporation tax charge for the year by £16k. This is primarily due to the reversal of timing differences in relation to fixed assets.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

Zest Investment (Portadown) Limited

Notes to the financial statements (continued) For the year ended 30 September 2016

4. Tax on (loss) on ordinary activities (Continued)

	2016 £	2015 £
Loss on ordinary activities before tax	-	(17,046)
Tax on profit on ordinary activities at standard UK corporation tax rate of 20 per cent (2015: 20.5 per cent)	-	(3,494)
Effects of:		
- Effects of group relief/other reliefs	(3,495)	-
- Transfer pricing adjustments	44,737	-
- Adjustment from previous periods	(6,989)	-
- Tax rate changes	(24,660)	(174)
- Group relief not paid for	-	10,658
Total tax charge for period	9,653	6,990

5. Tangible fixed assets

	Freehold property £
Valuation	
At 1 October 2015	4,250,000
At 30 September 2016	4,250,000
Net book value	
At 30 September 2016	4,250,000
At 30 September 2015	4,250,000

At 30 September 2016 £63,057 (2015: £63,037) of interest had been capitalised within freehold property.

The property has been revalued by the directors based on their assessment of open market value.

If the property had not been revalued it would have been included at £4,683,369 according to the historical cost convention.

6. Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	3,470,765	3,470,765
Corporation tax	18,948	-
	3,489,713	3,470,765

Zest Investment (Portadown) Limited

Notes to the financial statements (continued) For the year ended 30 September 2016

7. Provision for liabilities and charges

	Deferred tax £
At 1 October 2015	148,698
Adjustment in respect of prior years	(6,989)
Deferred tax charge to income statement	(2,306)
	<hr/>
At 30 September 2016	139,403
	<hr/>

The amounts of deferred taxation provided in the financial statements are as follows:

	2016 £	2015 £
Accelerated capital allowances	139,403	148,698
	<hr/>	<hr/>
	139,403	148,698
	<hr/>	<hr/>

8. Called-up share capital

	2016 £	2015 £
<i>Allotted, called-up and fully paid</i> 1 ordinary share of £1 each	<hr/> 1	<hr/> 1
	<hr/>	<hr/>

9. Related party transactions

The company has taken the exemption provided under FRS 102 to not disclose intercompany transactions with other group undertakings within the Zest Investment Group.

There are no transactions between the Company and directors during the current or prior year.

The key management personnel of the Company are also the key management personnel of other group undertakings. Further details can be found in the consolidated financial statements of Zest Investment Group Limited.

10. Ultimate parent company and controlling party

The directors regard Zest Investment Group Limited, a company incorporated in the United Kingdom and registered in England and Wales, as being the company's immediate and ultimate parent company and is the parent company of the largest and smallest group which includes the company. The registered address of these entities is shown on page 1 of these financial statements. Copies of the group accounts are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

Zest Investment Group Limited is jointly controlled by the directors who each control 50 per cent of the issued share capital of the company.

Zest Investment (Portadown) Limited

Notes to the financial statements (continued) For the year ended 30 September 2016

11. Transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements for the year ended 30 September 2015 were prepared under previous UK GAAP hence the transition date to FRS 102 was 1 October 2014. Other than disclosures made in the financial statements, there were no material adjustments on adoption of FRS 102 for the first time.