

**ABBAY HEALTHCARE (FESTIVAL) LTD**

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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COMPANIES HOUSE



**MHA MacIntyre Hudson**  
GLOBAL EXPERTISE • NATIONAL EXPERIENCE • LOCAL EXCELLENCE\*

**ABBEY HEALTHCARE (FESTIVAL) LTD**  
**REGISTERED NUMBER:06712858**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2016**

	Note	2016 £	2015 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	5,160,965	4,974,230
Cash at bank and in hand		3,145	162,839
		<u>5,164,110</u>	<u>5,137,069</u>
Creditors: amounts falling due within one year	6	(5,769,394)	(5,884,659)
<b>Net current liabilities</b>		<u>(605,284)</u>	<u>(747,590)</u>
<b>Total assets less current liabilities</b>		<u>(605,284)</u>	<u>(747,590)</u>
Creditors: amounts falling due after more than one year	7	(4,770,000)	(4,770,000)
<b>Net liabilities</b>		<u><u>(5,375,284)</u></u>	<u><u>(5,517,590)</u></u>
<b>Capital and reserves</b>			
Called up share capital		1	1
Profit and loss account		(5,375,285)	(5,517,591)
		<u><u>(5,375,284)</u></u>	<u><u>(5,517,590)</u></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 on

  
P Sodhi  
Director

29/1/2017

The notes on pages 3 to 9 form part of these financial statements.

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**ABBHEY HEALTHCARE (FESTIVAL) LTD**

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

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	1	(3,081,607)	(3,081,606)
Comprehensive income for the year			
Loss for the year	-	(2,435,984)	(2,435,984)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(2,435,984)	(2,435,984)
Total transactions with owners	-	-	-
At 1 January 2016	1	(5,517,591)	(5,517,590)
Comprehensive income for the year			
Profit for the year	-	142,306	142,306
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	142,306	142,306
Total transactions with owners	-	-	-
At 31 December 2016	1	(5,375,285)	(5,375,284)

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## **ABBEY HEALTHCARE (FESTIVAL) LTD**

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

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#### **1. General information**

Abbey Healthcare (Festival) Limited is a private company limited by shares, incorporated in England and Wales. The company's registered office is Abbey Healthcare, 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### **2.2 Going concern**

The company's total liabilities exceeded its total assets as at 31 December 2016. The controlling party has the ability to and will continue to provide financial support so that the company will be able to meet its financial obligations as and when they fall due for at least 12 months from the date of signing of these accounts. On this basis the director believes that the adoption of the going concern concept is appropriate.

##### **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 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **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 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

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

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**2. Accounting policies (continued)**

**2.6 Financial instruments (continued)**

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.

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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

**2.7 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.

**2.8 Interest income**

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

**2.9 Borrowing costs**

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

**2.10 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

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**ABBAY HEALTHCARE (FESTIVAL) LTD**

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

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**3. Employees**

The average monthly number of employees, including directors, during the year was 1 (2015 - 1).

**4. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2016	2,415,680
At 31 December 2016	2,415,680
<b>Impairment</b>	
At 1 January 2016	2,415,680
At 31 December 2016	2,415,680
At 31 December 2016	-
At 31 December 2015	-

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Festival Care Homes Ltd	UK	Ordinary	100 %	Residential care home
Cherrycroft Care Home Ltd	UK	Ordinary	100 %	Dormant
Elmcroft Care Home Ltd	UK	Ordinary	100 %	Residential care home
Grapecroft Care Home Ltd	UK	Ordinary	100 %	Dormant

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

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

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**4. Fixed asset investments (continued)**

	Aggregate of share capital and reserves £	Profit/(loss) £
Festival Care Homes Ltd	(4,345,410)	375
Cherrycroft Care Home Ltd	-	-
Elmcroft Care Home Ltd	(3,181,749)	(141,171)
Grapecroft Care Home Ltd	-	-
	<u>(7,527,159)</u>	<u>(140,796)</u>

**5. Debtors**

	2016 £	2015 £
Amounts owed by group undertakings	3,875,741	3,860,606
Other debtors	1,285,224	1,113,624
	<u>5,160,965</u>	<u>4,974,230</u>

**6. Creditors: Amounts falling due within one year**

	2016 £	2015 £
Bank loans	230,000	230,000
Amounts owed to group undertakings	699,325	814,589
Other creditors	4,840,069	4,840,070
	<u>5,769,394</u>	<u>5,884,659</u>

**7. Creditors: Amounts falling due after more than one year**

	2016 £	2015 £
Bank loans	4,770,000	4,770,000
	<u>4,770,000</u>	<u>4,770,000</u>

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**ABBHEY HEALTHCARE (FESTIVAL) LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Loans**

Analysis of the maturity of loans is given below:

	2016 £	2015 £
<b>Amounts falling due within one year</b>		
Bank loans	230,000	230,000
	<u>230,000</u>	<u>230,000</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	4,770,000	4,770,000
	<u>4,770,000</u>	<u>4,770,000</u>
	<u>5,000,000</u>	<u>5,000,000</u>

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## **ABBHEY HEALTHCARE (FESTIVAL) LTD**

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

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#### **9. Related party transactions**

At the year end the amount of £200,867 (2015: £200,867) was due from Applecroft Care Home Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £336,800 (2015: £336,800) was due from Barleycroft Care Home Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £86,944 (2015: £86,944) was due from Cherrycroft Care Home Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £682,000 (2015: £682,000) was due to Abbey Healthcare (Cromwell) Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £1,364,234 (2015: £1,364,234) was due from Abbey Healthcare Homes (East Kilbride) Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £474,377 (2015: £474,377) was due from Elmcroft Care Home Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £247,250 (2015: £247,250) was due from Abbey Healthcare (Farnworth) Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £17,325 (2015: £17,325) was due to Abbey Healthcare (Knebworth) Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £650,869 (2015: £650,869) was due from Abbey Healthcare (Kendal) Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £15,135 (2015: £115,265 (due to)) was due from Trees Park (East Ham) Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £662,138 (2015: £662,138) was due from Abbey Healthcare Homes Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £179,390 (2015: £179,390) was due from Abbey Healthcare (Aaron Court), a fellow subsidiary of Lansbury Limited.

At the year end the amount of £33,403 (2015: £33,403) was due from Festival Care Homes Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £384,151 (2015: £384,151) was due to Benster Limited, a fellow subsidiary of Lansbury Limited.

#### **10. 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 (Festival) Limited is Lansbury Limited, a company incorporated in Gibraltar.

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

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**11. First time adoption of FRS 102**

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.

**12. Auditors' information**

The auditor's report was unqualified with emphasis of matter of going concern as detailed in note 2.2. The report was signed by Rakesh Shaunak as Senior Statutory Auditor on behalf of MHA MacIntyre Hudson.