

Company Registration No. 07153603 (England and Wales)

**CARLTON HOUSE REST HOME LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**  
**PAGES FOR FILING WITH REGISTRAR**

**CARLTON HOUSE REST HOME LIMITED**

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# CARLTON HOUSE REST HOME LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Notes	2019 £	£	2018 £	£
<b>Non-current assets</b>					
Intangible assets	3	288,000		336,000	
Property, plant and equipment	4	1,468,782		1,494,084	
		<u>1,756,782</u>		<u>1,830,084</u>	
<b>Current assets</b>					
Inventories		1,040		1,020	
Trade and other receivables	5	81,239		29,961	
Investments	6	189,207		190,639	
Cash and cash equivalents		119,512		115,398	
		<u>390,998</u>		<u>337,018</u>	
<b>Current liabilities</b>	7	(253,461)		(253,231)	
<b>Net current assets</b>			137,537		83,787
<b>Total assets less current liabilities</b>			1,894,319		1,913,871
<b>Non-current liabilities</b>	8	(563,054)		(737,922)	
<b>Provisions for liabilities</b>					
Deferred tax liability	9	28,023		30,267	
		<u>(28,023)</u>		<u>(30,267)</u>	
<b>Net assets</b>			1,303,242		1,145,682
<b>Equity</b>					
Called up share capital	10	150		150	
Retained earnings		1,303,092		1,145,532	
<b>Total equity</b>		<u>1,303,242</u>		<u>1,145,682</u>	

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 30 June 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

# **CARLTON HOUSE REST HOME LIMITED**

## **STATEMENT OF FINANCIAL POSITION (CONTINUED)**

***AS AT 30 JUNE 2019***

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The financial statements were approved by the board of directors and authorised for issue on 31 March 2020 and are signed on its behalf by:

Mr I Herridge  
**Director**

**Company Registration No. 07153603**

# CARLTON HOUSE REST HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

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### 1 Accounting policies

#### Company information

Carlton House Rest Home Limited is a private company limited by shares incorporated in England and Wales. The registered office and principal place of business is Carlton House Rest Home, 15 Barton Court Road, New Milton, Hampshire, BH25 6NN.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the supply of care services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where payments are received from customers in advance of services provided the amounts are recorded as deferred income and included as part of payables due within one year.

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

#### 1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised over the FRS 102 default period of 10 years on a straight line basis, as the directors consider that it is not possible to make a reliable estimate of the useful life of the assets.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

# CARLTON HOUSE REST HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Fixtures, fittings and equipment	15% reducing balance
Motor vehicles	25% reducing balance

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell.

Cost is calculated using the weighted average method.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# CARLTON HOUSE REST HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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### 1 Accounting policies

(Continued)

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# CARLTON HOUSE REST HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.13 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 40 (2018 - 45).



# CARLTON HOUSE REST HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 3 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 July 2018 and 30 June 2019	600,000
<b>Amortisation and impairment</b>	
At 1 July 2018	264,000
Amortisation charged for the year	48,000
At 30 June 2019	312,000
<b>Carrying amount</b>	
At 30 June 2019	288,000
At 30 June 2018	336,000

### 4 Property, plant and equipment

	Freehold land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 July 2018	1,428,666	344,522	750	1,773,938
Additions	2,838	14,600	-	17,438
At 30 June 2019	1,431,504	359,122	750	1,791,376
<b>Depreciation and impairment</b>				
At 1 July 2018	101,132	178,072	650	279,854
Depreciation charged in the year	15,558	27,157	25	42,740
At 30 June 2019	116,690	205,229	675	322,594
<b>Carrying amount</b>				
At 30 June 2019	1,314,814	153,893	75	1,468,782
At 30 June 2018	1,327,534	166,450	100	1,494,084

### 5 Trade and other receivables

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade receivables	56,178	20,515
Other receivables	15,216	78
Prepayments and accrued income	9,845	9,368
	81,239	29,961

# CARLTON HOUSE REST HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 6 Current asset investments

	2019 £	2018 £
Other investments	189,207	190,639

The investment is a portfolio of unit trusts and listed shares managed by an investment specialist company. Increases and decreases in the valuation are taken to the income statement. The value as at 30 June 2019 has been derived from quoted market rates supplied by the managing investment company. The decrease in value of £2,391 has been taken to the income statement. There was a disposal in year and a loss was realised of £17.

### 7 Current liabilities

	2019 £	2018 £
Bank loans	73,977	73,977
Trade payables	17,669	20,603
Corporation tax	62,155	60,362
Other taxation and social security	8,854	5,516
Other payables	65,578	63,903
Accruals and deferred income	25,228	28,870
	253,461	253,231

The bank loan is secured by way of a fixed and floating charge over all the assets of the company.

### 8 Non-current liabilities

	Notes	2019 £	2018 £
Bank loans and overdrafts		479,719	554,817
Other borrowings		83,335	183,105
		563,054	737,922

The bank loan is secured by way of a fixed and floating charge over all the assets of the company.

Included within other borrowings is the director's loan account which is secured by way of a second fixed and floating charge over the assets.

# CARLTON HOUSE REST HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 9 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2019 £	Liabilities 2018 £
<b>Balances:</b>		
Accelerated capital allowances	28,023	30,267
<b>Movements in the year:</b>		2019 £
Liability at 1 July 2018		30,267
Credit to profit or loss		(2,244)
Liability at 30 June 2019		28,023

Of the deferred tax liability set out above, an amount of £4,501 is expected to reverse within 12 months and relates to accelerated capital allowances.

### 10 Called up share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary Shares of £1 each	100	100
50 Ordinary 'B' Shares of £1 each	50	50
	150	150

### 11 Retained earnings

Retained earnings represents cumulative profits or losses, including unrealised profit on the remeasurement of investments, net of dividends paid and other adjustments.

# CARLTON HOUSE REST HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 12 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2019 £	2018 £
Within one year	4,841	7,408
Between two and five years	-	4,360
	<u>4,841</u>	<u>11,768</u>

### 13 Related party transactions

#### Remuneration of key management personnel

	2019 £	2018 £
Aggregate compensation	<u>14,064</u>	<u>14,064</u>

### 14 Directors' transactions

Dividends totalling £33,097 (2018 - £39,787) were paid in the year in respect of shares held by the company's directors.

At 30 June 2019 the company owed a director £83,335 (2018: £183,106). Interest of £15,986 (2018: £13,545) is payable in respect of this loan at 12% The loan is secured by way of a fixed and floating charge over the assets.

### 15 Controlling party

The company is controlled by the directors by virtue of their 100% holding of the issued ordinary share capital.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.