

Company Registration No. 07805899 (England and Wales)

AMERY MANAGEMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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AMERY MANAGEMENT LIMITED

COMPANY INFORMATION

Director	Mr A Baporia
Secretary	Mr A Baporia
Company number	07805899
Registered office	Edelman House 1238 High Road Whetstone London N20 0LH
Auditors	Gerald Edelman 73 Cornhill London EC3V 3QQ

AMERY MANAGEMENT LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Director's report	3 - 4
Independent auditors' report	5 - 6
Group statement of comprehensive income	7
Group balance sheet	8
Company balance sheet	9
Group statement of changes in equity	10
Company statement of changes in equity	11
Group statement of cash flows	12
Notes to the financial statements	13 - 24

AMERY MANAGEMENT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The director presents the strategic report for the year ended 31 March 2017.

Business overview and results

Advinia Health Care is a leading care home operator and conducts business through a number of groups including Amery Management Limited (AML or the Group). AML operates four care homes across England and provides services to more than 100 residents. All of the care homes offer residential dementia care services.

The demand for care services continues to rise as life expectancies increase and the UK's population grows. Over the last decade, the supply of care home beds has also increased but this trend has now reversed with a reduction in the number of care beds in the UK in recent years. The demand and supply of care home beds varies from region to region naturally but demand is higher than supply generally in the market.

There continues to be an acute shortage of nurses in the UK and this has meant the competition for those nurses is high and use of replacement agency workers is expensive and puts a strain on financial resources as we have to use expensive agency workers.

The National Living Wage was introduced in April 2016, setting the minimum wage for over 25s and increasing the cost base for carers in care homes significantly. Moreover, pay differentials are squeezed and this creates an uncomfortable 'concertina' effect on our pay scales.

The group statement of comprehensive income shows the results for the year ended 31 March 2017. The Group loss for the year ended 31 March 2017 was £211,330 (2016: £257,080). As at 31 March 2017 the Group's net liabilities were £2,085,743 (2016: £1,874,413).

Operational performance and key performance indicators (KPIs)

Occupancy across the care homes has fluctuated during the year but the average of 91% was better than last year (83%) and reflects good demand for care home beds and the efforts of our stable local management teams. Our occupancy compares reasonably with the market average of 88%, but management is not complacent on occupancy levels. The acute shortage of nurses for our care homes has meant that gaps have been filled by more expensive staff. We continue to look overseas to recruit foreign nurses who we can deploy locally.

Care home performance is normally judged by Earnings Before Interest, Depreciation, Amortisation and Management Charges (EBITDAM). EBITDAM across the four care homes has improved from £342,764 to £619,299 due to reasonable occupancy levels, effective staffing levels and tight cost controls.

We invest in the care homes with the needs of our residents uppermost in our minds. Specialist dementia areas that have been created, coupled with dementia specialist training, which has assisted our strategic plan to become a centre of excellence in dementia for older people.

Regulation compliance

The Care Quality Commission (CQC) is the government's independent regulator of health and social care in England. The CQC regularly inspects care homes and these inspections have become tougher and we need to employ robust audit processes to ensure compliance.

The CQC introduced new ratings and standards in April 2015 with the aim of reviewing all care homes by June 2016 under the new regime. This new regime is now used to inspect care homes. All of our care homes have now been inspected and we now have two rated as Good and two rated as Requires Improvement. The CQC inspections are highly demanding and the risks associated with a poor CQC rating are high as Local Authorities, the NHS and private paying residents are dissuaded to join the care homes.

Government funding

The government continues to restrict the funding available to Local Authorities and the National Health Service who in turn are unwilling to increase fee levels for beds. This has created a challenging operating environment. We have increased the number of residents who are funded by private resources by 20% during the year as a counter to this issue but we are aware of the strain on residents' resources to effectively cross subsidise public sector beds.

AMERY MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Principal risks and risk management

Credit risk. The Group's credit risk is mainly attributable to its trade receivables. These trade receivables are to a well diversified set of third parties which reduces the inherent risk. A regular review of receivables is undertaken.

Liquidity risk. The Group maintains liquidity and sufficient working capital for its ongoing operations and future developments.

Operational risk. The operation of care homes create operational risks which are managed by an experienced team of senior management, regional managers and local care home managers.

Reputational risk. Reputational risk is managed through mandatory and specialist training and development of staff. All care staff are subject to induction training and Disclosure and Barring Service checks.

Outlook

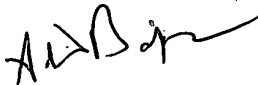
The performance of the care homes has improved during the year ended March 2017 mainly due to better average weekly fee rates across the care homes and tight cost control. We expect a similar performance during the coming year. There was modest growth in fee rates in the year ending March 2017 reflecting government's austerity and we expect this to continue looking forward.

Staff costs are our largest cost and we have worked hard to recruit, motivate and retain our staff. We will be challenged by the shortage of nurses and the fact that agency replacements are expensive and require close supervision by permanent staff to ensure our standards of care are met.

The CQC inspections continue to be stringent and we have had to deploy valuable resources to respond to their findings and we will have to be vigilant with our processes and audit systems over the coming period. We will continue to work hard to provide quality care to our residents.

The group is constantly looking for investment opportunities to expand.

On behalf of the board



Mr A Baporia

Director

30 January 2018

AMERY MANAGEMENT LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The director presents his annual report and financial statements for the year ended 31 March 2017.

Principal activities

The principal activity of the group continued to be that of the provision and management of long term care facilities for the elderly.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr A Baporia

Results and dividends

The consolidated results for the year are set out on page 7.

No ordinary dividends were paid. The director does not recommend payment of a dividend.

Auditors

The auditors, Gerald Edelman, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that he ought to have taken as the director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

AMERY MANAGEMENT LIMITED

DIRECTOR'S REPORT (CONTINUED)

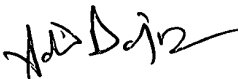
FOR THE YEAR ENDED 31 MARCH 2017

Going concern

Having reviewed the group's financial forecasts and expected future cash flows, the directors have a reasonable expectation that the group has adequate resources available to continue in operational existence for the foreseeable future. Accordingly, notwithstanding the group's net current liability position of £3,350,212 (2016: £3,301,302) the directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2017.

Further details regarding adoption of the going concern basis can be found in note 1.2 to the financial statements.

On behalf of the board



Mr A Baporia

Director

30 January 2018

AMERY MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AMERY MANAGEMENT LIMITED

We have audited the financial statements of Amery Management Limited for the year ended 31 March 2017 set out on pages 7 to 24. 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 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is 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 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; 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 group's and the parent company's affairs as at 31 March 2017 and of its loss 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.

Emphasis of matter - Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.2 to the financial statements, concerning the group's ability to continue as a going concern.

The conditions highlighted in note 1.2 to the financial statements indicate the existence of a material uncertainty, which may cast some doubt over the group's ability to continue as a going concern. In view of the significance of this uncertainty we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

AMERY MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AMERY MANAGEMENT LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Carl Lundberg ACA (Senior Statutory Auditor)
for and on behalf of Gerald Edelman

30 January 2018

Chartered Accountants
Statutory Auditor

73 Cornhill
London
EC3V 3QQ

AMERY MANAGEMENT LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Turnover	3	2,825,980	2,465,016
Cost of sales		(1,550,032)	(1,572,220)
Gross profit		1,275,948	892,796
Administrative expenses		(1,476,691)	(1,135,915)
Other operating income		2,613	2,100
Gain on disposal of subsidiary undertaking	4	-	1,229
Operating loss	5	(198,130)	(239,790)
Interest payable and similar expenses	8	-	(2,490)
Loss before taxation		(198,130)	(242,280)
Taxation	9	(13,200)	(14,800)
Loss for the financial year		(211,330)	(257,080)
Other comprehensive income		-	-
Total comprehensive income for the year		(211,330)	(257,080)

Total comprehensive income for the year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

AMERY MANAGEMENT LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Goodwill	10	1,030,285		1,259,238	
Tangible assets	11	234,184		168,789	
		<u>1,264,469</u>		<u>1,428,027</u>	
Current assets					
Debtors	15	349,588		343,626	
Cash at bank and in hand		4,363		29,199	
		<u>353,951</u>		<u>372,825</u>	
Creditors: amounts falling due within one year	16	<u>(3,704,163)</u>		<u>(3,674,127)</u>	
Net current liabilities		<u>(3,350,212)</u>		<u>(3,301,302)</u>	
Total assets less current liabilities		<u>(2,085,743)</u>		<u>(1,873,275)</u>	
Creditors: amounts falling due after more than one year	17		-		(1,138)
Net liabilities		<u>(2,085,743)</u>		<u>(1,874,413)</u>	
Capital and reserves					
Called up share capital	19	1		1	
Profit and loss reserves		<u>(2,085,744)</u>		<u>(1,874,414)</u>	
Total equity		<u>(2,085,743)</u>		<u>(1,874,413)</u>	

The financial statements were approved and signed by the director and authorised for issue on 30 January 2018



Mr A Baporia
Director

AMERY MANAGEMENT LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Investments	12		1,643,644		1,643,644
Current assets					
Debtors	15	1,612,758		1,540,431	
Creditors: amounts falling due within one year	16	(3,696,176)		(3,835,120)	
Net current liabilities			(2,083,418)		(2,294,689)
Total assets less current liabilities			(439,774)		(651,045)
Capital and reserves					
Called up share capital	19		1		1
Profit and loss reserves			(439,775)		(651,046)
Total equity			(439,774)		(651,045)

The financial statements were approved and signed by the director and authorised for issue on 30 January 2018



Mr A Baporia
Director

Company Registration No. 07805899

AMERY MANAGEMENT LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2015		1	(1,617,334)	(1,617,333)
Year ended 31 March 2016:				
Loss and total comprehensive income for the year		-	(257,080)	(257,080)
Balance at 31 March 2016		1	(1,874,414)	(1,874,413)
Year ended 31 March 2017:				
Loss and total comprehensive income for the year		-	(211,330)	(211,330)
Balance at 31 March 2017		1	(2,085,744)	(2,085,743)

AMERY MANAGEMENT LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2015		1	(868,707)	(868,706)
Year ended 31 March 2016:				
Profit and total comprehensive income for the year		-	217,661	217,661
Balance at 31 March 2016		1	(651,046)	(651,045)
Year ended 31 March 2017:				
Profit and total comprehensive income for the year		-	211,271	211,271
Balance at 31 March 2017		1	(439,775)	(439,774)

AMERY MANAGEMENT LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	23		130,932		71,261
Interest paid			-		(2,490)
Income taxes paid			(9,058)		-
Net cash inflow from operating activities			121,874		68,771
Investing activities					
Purchase of tangible fixed assets		(144,713)		(120,123)	
Proceeds on disposal of tangible fixed assets		-		(960)	
Net cash used in investing activities			(144,713)		(121,083)
Financing activities					
Payment of finance leases obligations		(1,997)		2,845	
Net cash (used in)/generated from financing activities			(1,997)		2,845
Net decrease in cash and cash equivalents			(24,836)		(49,467)
Cash and cash equivalents at beginning of year			29,199		78,666
Cash and cash equivalents at end of year			4,363		29,199

AMERY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Amery Management Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Edelman House, 1238 High Road, Whetstone, London, N20 0LH.

The group consists of Amery Management Limited and all of its subsidiaries.

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.

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. The principal accounting policies adopted are set out below.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £211,271 (2016 - £217,661).

The consolidated financial statements incorporate those of Amery Management Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2017. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.2 Going concern

The financial statements have been prepared on the going concern basis, notwithstanding that at the balance sheet date the group had net current liabilities of £3,350,212 (2016: £3,301,302) and net liabilities of £2,085,743 (2016: £1,874,413). The director considers this to be appropriate as the group is reliant on continued financing by its ultimate parent company, Samved Holdings Limited, and its fellow subsidiaries thereof, which have given the company an undertaking that they will, for at least 12 months from the date of the approval of these financial statements, continue to make available such funds as are needed by the group and in particular will not seek repayment of any amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the director acknowledges that there can be no certainty that this support will continue although, at the date of approval of these financial statements, the director has no reason to believe that it will not do so. Based on this undertaking, the director believes that it remains appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.3 Turnover

Turnover represents amounts receivable for the provision of services in relation to care home services. Income is recognised on the day the service is provided.

AMERY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business 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 considered to have a finite useful life and is amortised on a systematic basis over its expected life.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

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

Fixtures, fittings & equipment	33.3% Straight line
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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 recognised in the profit and loss account.

1.6 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

AMERY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

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.

1.8 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.

1.9 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 debtors 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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

AMERY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, 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 receipts 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 creditors 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

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

1.11 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 profit and loss account 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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 profit and loss account, 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 if, and only if, there is 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.

AMERY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

1.13 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.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2017 £	2016 £
Turnover	2,825,980	2,465,016

4 Exceptional income

	2017 £	2016 £
Loss on disposal of subsidiary undertaking	-	(1,229)

AMERY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

5 Operating loss

	2017 £	2016 £
Operating loss for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	79,318	125,927
Depreciation of tangible fixed assets held under finance leases	-	(2,921)
Loss on disposal of tangible fixed assets	-	10,593
Amortisation of intangible assets	228,953	228,953
Operating lease charges	12,266	20,148
	<u> </u>	<u> </u>

6 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	7,400	7,400
	<u> </u>	<u> </u>

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2017 Number	2016 Number	Company 2017 Number	2016 Number
Operations	120	124	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Wages and salaries	1,481,206	1,476,849	-	-
Social security costs	84,940	89,833	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,566,146	1,566,682	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

8 Interest payable and similar expenses

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	-	2,490
	<u> </u>	<u> </u>

AMERY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

9 Taxation

	2017	2016
	£	£
UK corporation tax on profits for the current period	13,200	14,800

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	£	£
Loss before taxation	(198,130)	(242,280)
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	(39,626)	(48,456)
Tax effect of expenses that are not deductible in determining taxable profit	58,736	49,207
Tax effect of utilisation of tax losses not previously recognised	(35,026)	(47,268)
Group relief	33,041	57,224
Other tax adjustments	(3,925)	4,093
Tax expense for the year	13,200	14,800

10 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 April 2016 and 31 March 2017	2,289,525
Amortisation and impairment	
At 1 April 2016	1,030,287
Amortisation charged for the year	228,953
At 31 March 2017	1,259,240
Carrying amount	
At 31 March 2017	1,030,285
At 31 March 2016	1,259,238

The company had no intangible fixed assets at 31 March 2017 or 31 March 2016.

AMERY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

11 Tangible fixed assets

Group	Assets under construction	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2016	38,065	699,400	737,465
Additions	144,713	-	144,713
At 31 March 2017	182,778	699,400	882,178
Depreciation and impairment			
At 1 April 2016	-	568,676	568,676
Depreciation charged in the year	-	79,318	79,318
At 31 March 2017	-	647,994	647,994
Carrying amount			
At 31 March 2017	182,778	51,406	234,184
At 31 March 2016	38,065	130,724	168,789

The company had no tangible fixed assets at 31 March 2017 or 31 March 2016.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2017 £	2016 £	Company 2017 £	2016 £
Depreciation charge for the year in respect of leased assets	-	2,921	-	-

12 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	13	-	-	1,643,644	1,643,644

AMERY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2017 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct
Longwood Care Home Limited	England & Wales	Care home operator	Ordinary shares	100.00
Maycroft Care Home Limited	England & Wales	Care home operator	Ordinary shares	100.00
Roberttown Care Home Limited	England & Wales	Care home operator	Ordinary shares	100.00
The Manors Care Home Limited	England & Wales	Care home operator	Oedinary shares	100.00

14 Financial instruments

	Group 2017 £	2016 £	Company 2017 £	2016 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	315,020	307,827	1,612,758	1,540,431
Carrying amount of financial liabilities				
Measured at amortised cost	3,663,665	3,644,510	3,696,176	3,835,120

15 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
Amounts falling due within one year:				
Trade debtors	94,729	115,692	-	-
Amount due from parent undertaking	192,535	186,715	190,818	190,740
Amounts due from subsidiary undertakings	-	-	1,394,184	1,344,270
Amounts due from fellow group undertakings	27,062	5,420	27,062	5,421
Other debtors	694	-	694	-
Prepayments and accrued income	34,568	35,799	-	-
	349,588	343,626	1,612,758	1,540,431

AMERY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

16 Creditors: amounts falling due within one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Obligations under finance leases	18	848	1,707	-	-
Trade creditors		174,697	103,157	-	1,400
Amounts due to group undertakings		3,364,771	3,418,092	3,696,026	3,832,264
Corporation tax payable		13,200	9,058	-	-
Other taxation and social security		27,298	23,020	-	-
Other creditors		95,683	78,198	-	1,516
Accruals and deferred income		27,666	40,895	150	(60)
		<u>3,704,163</u>	<u>3,674,127</u>	<u>3,696,176</u>	<u>3,835,120</u>

17 Creditors: amounts falling due after more than one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Obligations under finance leases	18	-	1,138	-	-

18 Finance lease obligations

	Group 2017 £	2016 £	Company 2017 £	2016 £
Future minimum lease payments due under finance leases:				
Within one year	848	2,473	-	-
In two to five years	-	1,649	-	-
	<u>848</u>	<u>4,122</u>	<u>-</u>	<u>-</u>
Less: future finance charges	-	(1,277)	-	-
	<u>848</u>	<u>2,845</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

19 Share capital

	Group and company	
	2017 £	2016 £
Ordinary share capital Issued and fully paid 1 Ordinary of £1 each	<u>1</u>	<u>1</u>

AMERY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

20 Operating lease commitments

Lessee

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

	Group 2017 £	2016 £	Company 2017 £	2016 £
Within one year	11,423	12,730	-	-
Between two and five years	6,157	18,010	-	-
	<u>17,580</u>	<u>30,740</u>	<u>-</u>	<u>-</u>

21 Related party transactions

Group and company

No guarantees have been given or received.

The group and company have taken advantage of the exemption under terms of FRS102 not to disclose related party transactions with wholly owned subsidiaries within the group.

22 Controlling party

The ultimate controlling party are the trustees of Paraman Trust Settlement.

21 Parent company

The parent company is Samved Holdings Limited, a company incorporated in Gibraltar.

AMERY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

22 Cash generated from group operations

	2017 £	2016 £
Loss for the year after tax	(211,330)	(257,080)
Adjustments for:		
Taxation charged	13,200	14,800
Taxation in relation to subsidiary disposed of		(5,742)
Finance costs	-	2,490
(Gain)/loss on disposal of tangible fixed assets	-	10,593
Amortisation and impairment of intangible assets	228,953	228,953
Depreciation and impairment of tangible fixed assets	79,318	128,848
Movements in working capital:		
(Increase) in debtors	(5,962)	(187,469)
Increase in creditors	26,753	135,868
Cash generated from operations	130,932	71,261