

Registration number: 08555035

Highpoint Care Ltd

Annual Report and Financial Statements
for the Year Ended 30 September 2017

DSM CA Limited
Station House Station Road
Whalley
Clitheroe
Lancashire
BB7 9RT



Highpoint Care Ltd

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Highpoint Care Ltd

Company Information

Directors	Dr Hemant Kumar Patel Dr Alan Whittle Dr Katherine Mary Patel
Registered office	Colliers Croft Clipsley Lane Haydock St. Helens Merseyside WA11 0JG
Auditors	DSM CA Limited Station House Station Road Whalley Clitheroe Lancashire BB7 9RT

Highpoint Care Ltd

Strategic Report for the Year Ended 30 September 2017

The directors present their strategic report for the year ended 30 September 2017.

Principal activity

The principal activity of the company is provision of nursing home care

Fair review of the business

The turnover of the business has continued to increase. The company has again been profitable during the year and continues to make inroads into the initial losses. It is envisaged that the company will have a positive balance sheet within the next 18 months. For the future, the company's shareholders are in the process of opening a new care home and have also acquired a further piece of land to build a 3rd nursing home. Each nursing home will trade in a separate company.

The group has recently completed and opened a second care home. It is envisaged that this will fill up more quickly as the management and directors are now known to the local authorities and the quality of care has now been established.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2017	2016
Turnover	£	1,756,683	1,687,213
Nursing Staff + Food Costs as % of Turnover	%	42	40

Principal risks and uncertainties

The directors see the key business risk being the level of funding provided by Councils compared to the increase in costs required to ensure the requisite level of care continues to be provided. The group is looking to move toward private patient funding rather than local authority funding.

The directors believe that as local authorities will increasingly be limited to small annual increases in the weekly rates they are able to pay care providers, that such a strategy will substantially lessen the price risk.

Due to the provision of funding from the Directors, it is considered that the credit risk is lower than might otherwise be the case, but there is still a risk due to likely increases in bank base rates. The directors are currently, therefore, seeking to manage this risk by formalising the bank loans and having fixed rate loans for a period of time, which will assist with managing cash-flow risk whilst additional care homes are being built by the group. This would also provide stability and allow them to increase income to further help manage the risk of interest rate increases.

Notes on financial instruments have been dealt with in the Strategic Report.

Approved by the Board on 7/9/2018 and signed on its behalf by:



Dr Katherine Mary Patel
Director

Highpoint Care Ltd

Directors' Report for the Year Ended 30 September 2017

The directors present their report and the financial statements for the year ended 30 September 2017.

The Strategic Report has given details regarding the future developments and risks pertaining to the company.

Directors of the company

The directors who held office during the year were as follows:

Dr Hemant Kumar Patel

Dr Alan Whittle

Dr Katherine Mary Patel

Financial instruments

Objectives and policies

The company income derives partly from the private funds of the patients and partly from councils providing funding for care. The company is aware that with budget cuts, the amounts received from councils is unlikely to keep up with inflation and are actively looking to attract patients with private funding. Billing is done on a regular cycle both to the patients and to the councils and amounts outstanding are pursued.

Regular management figures are prepared to assess the profitability of the business and review cashflow.

Price risk, credit risk, liquidity risk and cash flow risk

The price risk stems from the weekly funding levels set by councils for patients who are not totally self-funding. The company is attempting to manage this risk by having more self-funding patients due to the high level of care they seek to provide.

The credit risk is the risk of a council or patient settling a debt with the company. Regular checks on amounts owed are carried out and pursued as appropriate to minimise this risk.

Liquidity and cash-flow risks are managed by regular review of financial information and future income streams to ensure that the business is profitable and debts are being paid on time. Insurance costs are regularly reviewed to ensure that all assets are properly insured in the event of any catastrophe. Ongoing staff training and overview are undertaken to further enhance the business' reputation thus ensuring future income streams.

Going concern

The company has continued to make profits during the accounting period and forecasts indicate that this situation is set to continue going forwards. It is envisaged that the company will have positive reserves within the next 2 years.

Disclosure of information to the auditors

Each director has taken 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 auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Highpoint Care Ltd

Directors' Report for the Year Ended 30 September 2017

Approved by the Board on 7/9/2018 and signed on its behalf by:



Dr Katherine Mary Patel
Director

Highpoint Care Ltd

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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). 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 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; 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 and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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.

Highpoint Care Ltd

Independent Auditor's Report to the Members of Highpoint Care Ltd

Opinion

We have audited the financial statements of Highpoint Care Ltd (the 'company') for the year ended 30 September 2017, which comprise the Statement of Income and Retained Earnings, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Highpoint Care Ltd

Independent Auditor's Report to the Members of Highpoint Care Ltd

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 5], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Highpoint Care Ltd

Independent Auditor's Report to the Members of Highpoint Care Ltd

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

a J. Watson

Alison Watson BSc ACA (Senior Statutory Auditor)
For and on behalf of DSM CA Limited, Statutory Auditor

Station House Station Road
Whalley
Clitheroe
Lancashire
BB7 9RT

Date: *7th Sept 2018*

Highpoint Care Ltd

Statement of Income and Retained Earnings for the Year Ended 30 September 2017

	Note	2017 £	2016 £
Turnover	3	1,756,683	1,687,213
Cost of sales		<u>(739,804)</u>	<u>(676,385)</u>
Gross profit		1,016,879	1,010,828
Administrative expenses		(745,739)	(737,010)
Other operating income	4	<u>9,675</u>	<u>-</u>
Operating profit	5	<u>280,815</u>	<u>273,818</u>
Interest payable and similar charges	6	<u>(204,093)</u>	<u>(197,490)</u>
		<u>(204,093)</u>	<u>(197,490)</u>
Profit before tax		76,722	76,328
Taxation	10	<u>(22,413)</u>	<u>-</u>
Profit for the financial year		54,309	76,328
Retained earnings brought forward		<u>(160,438)</u>	<u>(236,767)</u>
Retained earnings carried forward		<u><u>(106,129)</u></u>	<u><u>(160,439)</u></u>

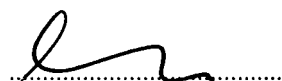
The notes on pages 13 to 22 form an integral part of these financial statements.

Highpoint Care Ltd

(Registration number: 08555035)
Balance Sheet as at 30 September 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	11	4,103,177	4,227,705
Current assets			
Debtors	12	969,417	948,375
Cash at bank and in hand		<u>16,267</u>	<u>41,171</u>
		985,684	989,546
Creditors: Amounts falling due within one year	14	<u>(231,087)</u>	<u>(209,241)</u>
Net current assets		<u>754,597</u>	<u>780,305</u>
Total assets less current liabilities		4,857,774	5,008,010
Creditors: Amounts falling due after more than one year	14	<u>(4,963,803)</u>	<u>(5,168,349)</u>
Net liabilities		<u>(106,029)</u>	<u>(160,339)</u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account		<u>(106,129)</u>	<u>(160,439)</u>
Total equity		<u>(106,029)</u>	<u>(160,339)</u>

Approved and authorised for issue by the Board on 7/9/2018 and signed on its behalf by:



Dr Hemant Kumar Patel
Director

Highpoint Care Ltd

Statement of Changes in Equity for the Year Ended 30 September 2017

	Share capital £	Profit and loss account £	Total £
At 1 October 2016	100	(160,438)	(160,338)
Profit for the year	-	54,309	54,309
Total comprehensive income	-	54,309	54,309
At 30 September 2017	100	(106,129)	(106,029)
	Share capital £	Profit and loss account £	Total £
At 1 October 2015	100	(236,767)	(236,667)
Profit for the year	-	76,328	76,328
Total comprehensive income	-	76,328	76,328
At 30 September 2016	100	(160,439)	(160,339)

The notes on pages 13 to 22 form an integral part of these financial statements.
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Statement of Cash Flows for the Year Ended 30 September 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the year		54,309	76,328
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	183,235	183,934
Finance costs	6	204,093	197,490
Income tax expense	10	22,413	-
		<u>464,050</u>	<u>457,752</u>
Working capital adjustments			
Increase in trade debtors	12	(21,042)	(890,280)
(Decrease)/increase in trade creditors	14	(13,002)	34,436
Net cash flow from operating activities		<u>430,006</u>	<u>(398,092)</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(58,707)	(5,498)
Finance costs accrued but not paid		<u>87,444</u>	<u>87,444</u>
Net cash flows from investing activities		<u>28,737</u>	<u>81,946</u>
Cash flows from financing activities			
Interest paid	6	(204,093)	(197,490)
Proceeds from bank borrowing draw downs		-	3,300,000
Repayment of bank borrowing		-	(2,619,313)
Repayment of other borrowing		<u>(291,989)</u>	<u>(179,958)</u>
Net cash flows from financing activities		<u>(496,082)</u>	<u>303,239</u>
Net decrease in cash and cash equivalents		(37,339)	(12,907)
Cash and cash equivalents at 1 October		<u>17,229</u>	<u>30,136</u>
Cash and cash equivalents at 30 September		<u>(20,110)</u>	<u>17,229</u>

The notes on pages 13 to 22 form an integral part of these financial statements.

Highpoint Care Ltd

Notes to the Financial Statements for the Year Ended 30 September 2017

1 General information

The company is a private company limited by share capital incorporated in England & Wales.

The address of its registered office is:

Colliers Croft Clipsley Lane

Haydock

St. Helens

Merseyside

WA11 0JG

England

Authorised for issue date

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

The company has continued to make profits during the accounting period and forecasts indicate that this situation is set to continue going forwards. It is envisaged that the company will have positive reserves within the next 2 years. The directors have agreed to continue to support the company and only to seek repayment of their loans when funds permit. Accordingly the accounts have been prepared on a going concern basis.

Revenue recognition

Turnover comprises the income due for the provision of care for residents. As this is provision of care - VAT is not applicable. The company recognises revenue based on an agreed daily rate for each resident with any extra items being billed as they are provided at an amount agreed with the local authority or fee payer as appropriate.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Highpoint Care Ltd

Notes to the Financial Statements for the Year Ended 30 September 2017

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

The trading property is stated at original cost and is subject to an annual impairment review. This is because the property is subject to regular refurbishments and updates so the directors consider the the residual value will be the same as cost.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and Buildings	Subject to annual impairment review
Plant and machinery	10% straight line
Fixtures and fittings	15% reducing balance
Office equipment	15% reducing balance

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Highpoint Care Ltd

Notes to the Financial Statements for the Year Ended 30 September 2017

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2017 £	2016 £
Sale of goods	998,065	1,163,167
Rendering of services	758,618	524,046
	<u>1,756,683</u>	<u>1,687,213</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2017 £	2016 £
Miscellaneous other operating income	<u>9,675</u>	<u>-</u>

5 Operating profit

Arrived at after charging/(crediting)

	2017 £	2016 £
Depreciation expense	<u>183,235</u>	<u>183,934</u>

Highpoint Care Ltd

Notes to the Financial Statements for the Year Ended 30 September 2017

6 Interest payable and similar expenses

	2017 £	2016 £
Interest on bank overdrafts and borrowings	903	709
Interest expense on other finance liabilities	203,190	196,781
	<u>204,093</u>	<u>197,490</u>

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2017 £	2016 £
Wages and salaries	890,651	840,298
Social security costs	62,534	57,093
Pension costs, defined contribution scheme	2,139	-
Other employee expense	63,146	60,365
	<u>1,018,470</u>	<u>957,756</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2017 No.	2016 No.
Administration and support	7	7
Other departments	45	51
	<u>52</u>	<u>58</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £	2016 £
Remuneration	85,951	88,318
Contributions paid to money purchase schemes	1,069	-
	<u>87,020</u>	<u>88,318</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2017 No.	2016 No.
Accruing benefits under money purchase pension scheme	1	-

Highpoint Care Ltd

Notes to the Financial Statements for the Year Ended 30 September 2017

9 Auditors' remuneration

	2017 £	2016 £
Audit of the financial statements	<u>7,415</u>	<u>8,280</u>

10 Taxation

Tax charged/(credited) in the income statement

	2017 £	2016 £
Current taxation		
UK corporation tax	<u>22,413</u>	<u>-</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2016 - the same as the standard rate of corporation tax in the UK) of 19.5% (2016 - 20%).

The differences are reconciled below:

	2017 £	2016 £
Profit before tax	<u>76,722</u>	<u>76,328</u>
Corporation tax at standard rate	14,961	15,266
Effect of expense not deductible in determining taxable profit (tax loss)	180	-
Effect of tax losses	(7,144)	(15,266)
Tax increase (decrease) from effect of capital allowances and depreciation	(2,855)	-
Tax increase (decrease) from other short-term timing differences	<u>17,271</u>	<u>-</u>
Total tax charge	<u>22,413</u>	<u>-</u>

Highpoint Care Ltd

Notes to the Financial Statements for the Year Ended 30 September 2017

11 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation					
At 1 October 2016	2,995,816	362,292	-	1,418,580	4,776,688
Additions	-	16,268	41,500	939	58,707
At 30 September 2017	<u>2,995,816</u>	<u>378,560</u>	<u>41,500</u>	<u>1,419,519</u>	<u>4,835,395</u>
Depreciation					
At 1 October 2016	-	123,723	-	425,260	548,983
Charge for the year	-	37,404	3,890	141,941	183,235
At 30 September 2017	<u>-</u>	<u>161,127</u>	<u>3,890</u>	<u>567,201</u>	<u>732,218</u>
Carrying amount					
At 30 September 2017	<u>2,995,816</u>	<u>217,433</u>	<u>37,610</u>	<u>852,318</u>	<u>4,103,177</u>
At 30 September 2016	<u>2,995,816</u>	<u>238,569</u>	<u>-</u>	<u>993,320</u>	<u>4,227,705</u>

Included within the net book value of land and buildings above is £2,995,816 (2016 - £2,995,816) in respect of freehold land and buildings.

Highpoint Care Ltd

Notes to the Financial Statements for the Year Ended 30 September 2017

12 Debtors

	Note	2017 £	2016 £
Trade debtors		58,251	83,492
Amounts owed by fellow subsidiaries	18	892,944	831,519
Other debtors		198	(45)
Prepayments		18,024	33,409
Total current trade and other debtors		<u>969,417</u>	<u>948,375</u>

13 Cash and cash equivalents

	2017 £	2016 £
Cash on hand	166	138
Cash at bank	16,101	1,060
Short-term deposits	-	39,973
	<u>16,267</u>	<u>41,171</u>
Bank overdrafts	<u>(36,377)</u>	<u>(23,942)</u>
Cash and cash equivalents in statement of cash flows	<u>(20,110)</u>	<u>17,229</u>

14 Creditors

	Note	2017 £	2016 £
Due within one year			
Loans and borrowings	17	111,636	99,201
Trade creditors		27,254	27,439
Amounts due to related parties	18	-	10,254
Social security and other taxes		15,637	15,282
Outstanding defined contribution pension costs		694	-
Credit card and Other creditors		-	9,758
Accrued expenses		53,453	47,307
Income tax liability	10	<u>22,413</u>	<u>-</u>
		<u>231,087</u>	<u>209,241</u>
Due after one year			
Loans and borrowings	17	4,701,471	4,993,461
Accrued interest payable		<u>262,332</u>	<u>174,888</u>
		<u>4,963,803</u>	<u>5,168,349</u>

Highpoint Care Ltd

Notes to the Financial Statements for the Year Ended 30 September 2017

15 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £2,139 (2016 - £Nil).

Contributions totalling £694 (2016 - £Nil) were payable to the scheme at the end of the year and are included in creditors.

16 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary A1 shares of £1 each	90	90	90	90
Ordinary B 1 shares of £1 each	10	10	10	10
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Highpoint Care Ltd

Notes to the Financial Statements for the Year Ended 30 September 2017

17 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Bank borrowings	3,224,741	3,224,741
Amounts owed to Directors	<u>1,476,730</u>	<u>1,768,720</u>
	<u>4,701,471</u>	<u>4,993,461</u>
	2017 £	2016 £
Current loans and borrowings		
Bank borrowings	75,259	75,259
Bank overdrafts	<u>36,377</u>	<u>23,942</u>
	<u>111,636</u>	<u>99,201</u>

The bank borrowings and bank overdraft are secured on the assets of the company via fixed and floating charges.

18 Related party transactions

Key management compensation

	2017 £	2016 £
Salaries and other short term employee benefits	<u>67,293</u>	<u>63,550</u>
Transactions with directors		

Other transactions with directors

The directors have loaned monies to the company. These loans are not secured and Interest has been accrued on these loans at a rate of interest which equates to a high street bank loan rate. Although technically the loans are repayable on demand, the directors have agreed to only take repayment of the loan as and when there are sufficient funds available in the group.

Summary of transactions with entities with joint control or significant interest

Highpoint Care (West Derby) Limited and Highpoint Care (Kew) Limited - fellow subsidiaries of Highpoint Care Holdings LLP

Amount loaned to companies to enable construction of care homes. Amount owed by Highpoint Care (West Derby) Limited - £854,998 (2016: £831,519). Amount owed by Highpoint Care (Kew) Limited £13,200.

Summary of transactions with other related parties

Bayhill Management Limited and The Liverpool Brace Place Limited - both companies owned by H&K Patel who are majority owners of Highpoint Care Holdings LLP

Amount owed by Bayhill Management Limited £20,000. Amount owed by The Liverpool Brace Place Limited £4,746 (2016: amount owed to The Liverpool Brace Place Limited £10,254).

Highpoint Care Ltd

Notes to the Financial Statements for the Year Ended 30 September 2017

19 Parent and ultimate parent undertaking

The company's immediate parent is Highpoint Care Holdings LLP, incorporated in England and Wales.

These financial statements are available upon request from registered office of Highpoint Care Limited

The ultimate controlling party is Dr H K Patel, Dr K M Patel and Dr A W Whittle by virtue of their holdings in Highpoint Care Holdings LLP.