

Company Registration No. 08739773 (England and Wales)

RUSSETTINGS CARE LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017
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RUSSETTINGS CARE LIMITED

COMPANY INFORMATION

Directors	Mr A Stuttle Mr S Hurden
Company number	08739773
Registered office	31/33 Commercial Road Poole Dorset BH14 0HU
Accountants	Morris Lane 31/33 Commercial Road Poole Dorset BH14 0HU

RUSSETTINGS CARE LIMITED

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RUSSETTINGS CARE LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

		2017		2016 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets			204,156		233,656
Property, plant and equipment	4		1,467,324		1,469,734
Current assets					
Inventories		1,000		1,000	
Trade and other receivables	5	166,853		155,502	
Cash and cash equivalents		67,043		371	
		234,896		156,873	
Current liabilities	6	(660,242)		(915,654)	
Net current liabilities			(425,346)		(758,781)
Total assets less current liabilities			1,246,134		944,609
Non-current liabilities	7		(1,072,913)		(892,828)
Provisions for liabilities			(33,124)		(15,921)
Net assets			140,097		35,860
Equity					
Called up share capital	8		100		100
Retained earnings			139,997		35,760
Total equity			140,097		35,860

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 31 March 2017 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 Act 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.

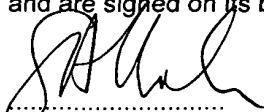
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

RUSSETTINGS CARE LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2017

The financial statements were approved by the board of directors and authorised for issue on19/12/2017
and are signed on its behalf by:



Mr S Hurden
Director

Company Registration No. 08739773

RUSSETTINGS CARE LIMITED

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

1 Accounting policies

Company information

Russettings Care Limited is a private company limited by shares incorporated in England and Wales. The registered office is 31/33 Commercial Road, Poole, Dorset, BH14 0HU and the principal place of business is Mill Lane, Balcombe, Haywards Heath, RH17 6NP.

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. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2017 are the first financial statements of Russettings Care Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Prior period error

The accounts have been restated to correct the positions on the loans granted to the company by the directors and their related parties. The company does not have the right to defer repayment of the loans beyond 12 months and on this basis the loans are deemed to be repayable on demand and hence are now correctly disclosed as due within one year. The adjustment as at 31 March 2016 was £447,132.

1.3 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.

1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

1.5 Property, plant and equipment

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

RUSSETTINGS CARE LIMITED

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

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 & equipment	15% straight line

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.

1.6 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.

1.7 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.

1.8 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.

RUSSETTINGS CARE LIMITED

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

1 Accounting policies

(Continued)

1.9 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.

1.10 Equity instruments

Equity instruments issued by the company 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 company.

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 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.

RUSSETTINGS CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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.

1.12 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.

1.13 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 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 Employees

The average monthly number of persons (including directors) employed by the company during the year was 48 (2016 - 52).

RUSSETTINGS CARE LIMITED

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

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2016 and 31 March 2017	295,000
Amortisation and impairment	
At 1 April 2016	61,344
Amortisation charged for the year	29,500
At 31 March 2017	90,844
Carrying amount	
At 31 March 2017	204,156
At 31 March 2016	233,656

Intangible fixed assets with a carrying amount of £204,156 (2016 - £233,656) have been pledged to secure borrowings of the company.

4 Property, plant and equipment

	Freehold land and buildings £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 April 2016	1,323,432	248,610	1,572,042
Additions	48,280	16,512	64,792
At 31 March 2017	1,371,712	265,122	1,636,834
Depreciation and impairment			
At 1 April 2016	28,786	73,522	102,308
Depreciation charged in the year	27,434	39,768	67,202
At 31 March 2017	56,220	113,290	169,510
Carrying amount			
At 31 March 2017	1,315,492	151,832	1,467,324
At 31 March 2016	1,294,646	175,088	1,469,734

Property, plant and equipment with a carrying amount of £1,467,324 (2016 - £1,469,734) have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings.

RUSSETTINGS CARE LIMITED

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

5 Trade and other receivables

	2017	2016
	£	£
Amounts falling due within one year:		
Trade receivables	131,038	132,515
Other receivables	26,953	16,035
Prepayments and accrued income	8,862	6,952
	<u>166,853</u>	<u>155,502</u>

Trade and other receivables with a carrying amount of £166,853 (2016 - £155,502) have been pledged to secure borrowings of the company.

6 Current liabilities

	2017	2016
	£	£
Bank loans and overdrafts	50,554	79,389
Other borrowings	237,000	341,000
Trade payables	46,887	73,957
Corporation tax	1,919	-
Other taxation and social security	16,286	18,622
Other payables	197,715	290,998
Accruals and deferred income	109,881	111,688
	<u>660,242</u>	<u>915,654</u>

The bank loans and overdrafts totalling £50,554 are secured via fixed and floating charges over the company's assets a cross guarantee from an associate and a personal guarantee from the company's directors.

7 Non-current liabilities

	2017	2016
Notes	£	£
Bank loans and overdrafts	<u>1,072,913</u>	<u>892,828</u>

The bank loans and overdrafts totalling £1,072,913 are secured via fixed and floating charges over the company's assets a cross guarantee from an associate and a personal guarantee from the company's directors.

RUSSETTINGS CARE LIMITED

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

8 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

9 Financial commitments, guarantees and contingent liabilities

To assist with the financing for the purchase of Russettings Care Home, a company under the same common control as Russettings Care Limited took out a loan for £280,000. The security on this loan includes an unlimited cross guarantee.

10 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:

	2017 £	2016 £
Within one year	13,545	11,587
Between two and five years	22,395	25,707
	<u>35,940</u>	<u>37,294</u>

11 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Building services received	
	2017 £	2016 £
Other related parties	-	5,301
	<u>-</u>	<u>5,301</u>

The following amounts were outstanding at the reporting end date:

	2017 £	2016 £
Amounts owed to related parties		
Entities under common control	23,822	183,614
Other related parties	237,000	341,000
	<u>260,822</u>	<u>524,614</u>

RUSSETTINGS CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

11 Related party transactions

(Continued)

Family members of the directors have loaned the company £237,000 (2016: £341,000). The loans are repayable on demand.

Other related party information can be found in note 6, 7 and 9.

12 Directors' transactions

£75,000 of the director's loan attracts interest at 8% and during the year £1,600 was paid to a director in this regard. The loans are repayable on demand.

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Directors loan account	8.00	(106,132)	11,250	(76,808)	(171,690)
Directors loan account	-	-	20,000	(20,000)	-
		<u>(106,132)</u>	<u>31,250</u>	<u>(96,808)</u>	<u>(171,690)</u>

13 Controlling party

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

RUSSETTINGS CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

14 Prior period adjustment

The accounts have been restated to correct the positions on the loans granted to the company by the directors and their related parties. The company does not have the right to defer repayment of the loans beyond 12 months and on this basis the loans are deemed to be repayable on demand and hence are now correctly disclosed as due within one year. The table below shows the adjustment to the prior period.

Changes to the statement of financial position

	At 31 March 2016		
	As previously reported	Adjustment	As restated
	£	£	£
Creditors due within one year			
Borrowings	(79,389)	(447,132)	(526,521)
Creditors due after one year			
Borrowings	(1,339,960)	447,132	(892,828)
	<u> </u>	<u> </u>	<u> </u>
Net assets	35,860	-	35,860
	<u> </u>	<u> </u>	<u> </u>

Changes to the income statement

	Period ended 31 March 2016		
	As previously reported	Adjustment	As restated
	£	£	£
Loss for the financial period	(31,836)	-	(31,836)
	<u> </u>	<u> </u>	<u> </u>