

**RUSSETTINGS CARE LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**  
**PAGES FOR FILING WITH REGISTRAR**

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# RUSSETTINGS CARE LIMITED

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# RUSSETTINGS CARE LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
<b>Non-current assets</b>					
Intangible assets	3		174,656		204,156
Property, plant and equipment	4		1,442,240		1,467,324
			<u>1,616,896</u>		<u>1,671,480</u>
<b>Current assets</b>					
Inventories		1,020		1,000	
Trade and other receivables	5	155,947		166,853	
Cash and cash equivalents		138,438		67,043	
		<u>295,405</u>		<u>234,896</u>	
<b>Current liabilities</b>	6	(629,815)		(660,242)	
<b>Net current liabilities</b>			<u>(334,410)</u>		<u>(425,346)</u>
<b>Total assets less current liabilities</b>			1,282,486		1,246,134
<b>Non-current liabilities</b>	7		(1,020,123)		(1,072,913)
<b>Provisions for liabilities</b>			<u>(37,973)</u>		<u>(33,124)</u>
<b>Net assets</b>			<u>224,390</u>		<u>140,097</u>
<b>Equity</b>					
Called up share capital	8		100		100
Retained earnings			224,290		139,997
<b>Total equity</b>			<u>224,390</u>		<u>140,097</u>

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

For the financial year ended 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

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

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

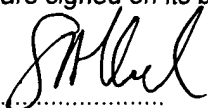
# **RUSSETTINGS CARE LIMITED**

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

**AS AT 31 MARCH 2018**

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The financial statements were approved by the board of directors and authorised for issue on 19/2/18 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 2018**

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### **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.

#### **1.2 Revenue**

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

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

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

#### **1.3 Intangible fixed assets - goodwill**

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

#### **1.4 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.

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.

# RUSSETTINGS CARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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### 1 Accounting policies

(Continued)

#### 1.5 Impairment of non-current assets

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

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

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

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

#### 1.6 Inventories

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

Cost is calculated using the weighted average method.

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

#### 1.7 Cash and cash equivalents

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

#### 1.8 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# RUSSETTINGS CARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

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

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

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

#### **Basic financial liabilities**

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

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

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

### 1.9 Equity instruments

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

### 1.10 Taxation

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

#### **Current tax**

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

# RUSSETTINGS CARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

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

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

#### **1.11 Employee benefits**

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

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

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

#### **1.12 Retirement benefits**

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

#### **1.13 Leases**

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

Rentals payable under operating leases, including any lease incentives received, are charged to 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 53 (2017 - 48).



# RUSSETTINGS CARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 3 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 April 2017 and 31 March 2018	295,000
<b>Amortisation and impairment</b>	
At 1 April 2017	90,844
Amortisation charged for the year	29,500
At 31 March 2018	120,344
<b>Carrying amount</b>	
At 31 March 2018	174,656
At 31 March 2017	204,156

Intangible fixed assets with a carrying amount of £174,656 (2017 - £204,156) have been pledged to secure borrowings of the company.

### 4 Property, plant and equipment

	Freehold land and buildings £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 April 2017	1,371,712	265,122	1,636,834
Additions	2,704	46,433	49,137
At 31 March 2018	1,374,416	311,555	1,685,971
<b>Depreciation and impairment</b>			
At 1 April 2017	56,220	113,290	169,510
Depreciation charged in the year	27,488	46,733	74,221
At 31 March 2018	83,708	160,023	243,731
<b>Carrying amount</b>			
At 31 March 2018	1,290,708	151,532	1,442,240
At 31 March 2017	1,315,492	151,832	1,467,324

Property, plant and equipment with a carrying amount of £1,442,240 (2017 - £1,467,324) 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 2018

### 5 Trade and other receivables

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade receivables	91,418	131,038
Other receivables	25,278	26,953
Prepayments and accrued income	39,251	8,862
	<u>155,947</u>	<u>166,853</u>

Trade and other receivables with a carrying amount of £155,947 (2017 - £166,853) have been pledged to secure borrowings of the company.

### 6 Current liabilities

	2018 £	2017 £
Bank loans and overdrafts	52,173	50,554
Other borrowings	231,000	237,000
Trade payables	33,930	46,887
Corporation tax	26,148	1,919
Other taxation and social security	16,724	16,286
Other payables	156,601	197,715
Accruals and deferred income	113,239	109,881
	<u>629,815</u>	<u>660,242</u>

The bank loans and overdrafts totalling £52,173 (2017: £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

	Notes	2018 £	2017 £
Bank loans and overdrafts		<u>1,020,123</u>	<u>1,072,913</u>

The bank loans and overdrafts totalling £1,020,123 (2017: £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 2018

### 8 Called up share capital

	2018 £	2017 £
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 provided 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:

	2018 £	2017 £
Within one year	7,488	13,545
Between two and five years	5,695	22,395
	<u>13,183</u>	<u>35,940</u>

### 11 Related party transactions

#### Transactions with related parties

The following amounts were outstanding at the reporting end date:

	2018 £	2017 £
Amounts owed to related parties		
Entities under common control	-	23,822
Other related parties	231,000	237,000
	<u>231,000</u>	<u>260,822</u>

# RUSSETTINGS CARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 11 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	2018 Balance £
<b>Amounts owed by related parties</b>	
Entities under common control	5,470
	<u>5,470</u>

There were no amounts owed in the previous period.

Family members of the directors have loaned the company £231,000 (2017: £237,000). The loans are repayable on demand.

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

### 12 Directors' transactions

As at 31 March 2018 the company owed the directors £154,398 (2017: £171,690) on loan account. This loan was repayable on demand. Interest of £6,000 (2017: £7,000) is payable in respect of this loan at a rate of 8%.

Description	% Rate	Opening balance £	Amounts repaid £	Closing balance £
Directors loan account	8.00	171,690	(17,292)	154,398
		<u>171,690</u>	<u>(17,292)</u>	<u>154,398</u>

# **RUSSETTINGS CARE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2018***

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### **13 Controlling party**

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