

Company registration number: SC086885

St. Modans Care Home Limited
Directors' Report and Financial Statements
for the year ended 31 March 2017

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St. Modans Care Home Limited

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St. Modans Care Home Limited

Directors and other information

Directors

Aidan Hennessey
Gerard Hennessey

Secretary

Gavin MacKenzie

Company number

SC086885

Registered office

Caulfield House
Cradlehall Business Park
Inverness
IV2 5GH

Auditor

MCI
Chartered Accountants and Registered Auditors
Sentinel House
13 Pump Street
Derry
BT48 8JG

St. Modans Care Home Limited
Strategic report
for the year ended 31 March 2017

The directors present their strategic report on the financial statements for the year ended 31 March 2017.

Results

The results for the year are set out in Statement of Income and Retained Earnings on page 9. The profit for the year after providing for depreciation and taxation amounted to £350,996 (2016 : £262,391).

Review of the business, analysis of key performance indicators and future developments

Although local authority funding for residents during the year remained difficult, turnover increased by 16%. The increase reflects occupancy levels. The company continues to focus on training and retention of staff in order to deliver quality care whilst at the same time sustaining profitability. Recruitment and retention of staff in the current labour market remains challenging. The group has responded to these issues by increasing wages to attract and retain high quality staff, and this has put pressure on margins. Administration expenses are closely monitored and they increased by 1% during the year.

Important Key Performance Indicators (KPI's) are bed occupancy rates, average fee income per bed, staffing costs to fee income and earnings before interest, tax, depreciation, amortisation, rent and management fees (EBITDARM). In relation to the KPI's the company, when benchmarked to the sector, is performing at or above regional sector averages.

In terms of future developments the company will continue to focus on the delivery of its care services.

Principal risks and uncertainties

The board is responsible for risk assessment and management within the company. It has in place a documented organisational structure with clearly defined and understood roles and responsibilities. It has identified the following risk areas and uncertainties:

- Financial risks
- Regulatory environment

Financial risks

St. Modans Care Home Limited is a loan obligor company in relation to borrowings obtained from Santander plc by its parent company, Hilton Rehabilitation Limited.

Banking covenants

The provision of banking facilities to Hilton Rehabilitation Limited and the obligor companies (the borrowing group) is subject to compliance with financial covenants. Should the borrowing group's trading performance deteriorate significantly or its interest costs increase significantly, the borrowing group could breach these covenants and this may have a material impact on the continued availability of the borrowing group's banking facilities.

Interest rate exposure

The borrowing group's interest rate risk arises from long term borrowings issued at variable rates which expose the borrowing group to the risk of adverse interest rate movements. The borrowing group manages this exposure through the appropriate use of fixed and floating debt and interest rate swaps.

Liquidity

The borrowing group maintains a mix of medium and long term structured finance designed to ensure that the borrowing group has sufficient available funds for day to day operations and planned development expenditure.

St. Modans Care Home Limited

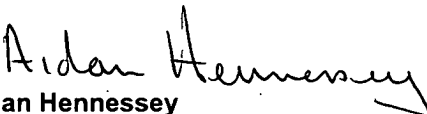
**Strategic report (continued)
for the year ended 31 March 2017**

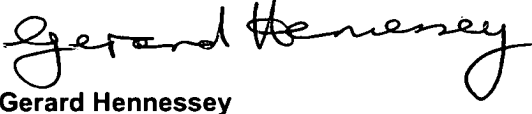
Principal risks and uncertainties (continued...)

Regulatory environment

The company's services are regulated by Social Care and Social Work Improvement Scotland (SCSWIS) which has significant enforcement powers against operators who do not comply with statutory requirements. As a result of the company's own internal compliance review procedures and external regulatory inspections, the board is confident that the company's services on an ongoing basis meet regulatory standards and that company practices and procedures comply with care regulations.

On behalf of the board


Aidan Hennessey
Director


Gerard Hennessey
Director

Date: 29 September 2017

St. Modans Care Home Limited

Directors' report and statement of directors' responsibilities for the year ended 31 March 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Directors and secretary

The directors and secretary who served during the year are as stated below:

Aidan Hennessey (Director)
Gerard Hennessey (Director)
Gavin MacKenzie (Secretary)

Dividends

The directors do not recommend the payment of a dividend.

Political contributions

There were no political contributions made during the year.

Future developments

Future developments in the business of the company are discussed in the strategic report.

Financial instruments and risk management

Information on the use of financial instruments by the borrowing group and its management of financial risks is disclosed in the strategic report.

Events after the end of the reporting period

No events requiring adjustment or amendment to the financial statements occurred subsequent to the reporting date.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, directors' 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 the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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. 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.

St. Modans Care Home Limited

**Directors' report and statement of directors' responsibilities (continued)
for the year ended 31 March 2017**

Disclosure of information to the auditors

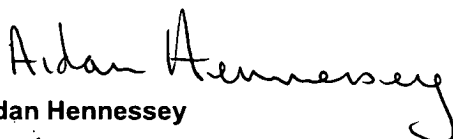
We, the directors of the company who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

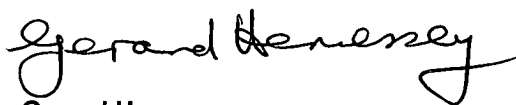
- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and MCI will therefore continue in office.

This report was approved and authorised for issue by the board of directors on 29 September 2017 and signed on behalf of the board by:


Aidan Hennessey
Director


Gerard Hennessey
Director

St. Modans Care Home Limited

Independent auditor's report to the members of St. Modans Care Home Limited for the year ended 31 March 2017

We have audited the financial statements of St. Modans Care Home Limited for the year ended 31 March 2017 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, Statement of Cash Flows and related notes. 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 directors and auditor

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. Our responsibility is to audit and express an opinion on 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' 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 company's affairs as at 31 March 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.

Opinion on other matters 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 Directors' Report and the Strategic Report for the financial year, for which the financial statements are prepared, is consistent with the financial statements, and the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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 Directors' Report and the Strategic Report.

St. Modans Care Home Limited

**Independent auditor's report to the members of St. Modans Care Home Limited (continued)
for the year ended 31 March 2017**

Matters on which we are required to report by exception

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 the 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.



Ian McIvor (Senior Statutory Auditor)

For and on behalf of

MCI

Statutory Auditor

Sentinel House

13 Pump Street

Derry

BT48 8JG

Date: 29 September 2017

St. Modans Care Home Limited

**Statement of income and retained earnings
for the year ended 31 March 2017**

	Notes	2017 £	2016 £
Turnover	2	2,408,215	2,074,837
Direct costs		1,615,018	1,373,546
Gross profit		<u>793,197</u>	<u>701,291</u>
Administrative expenses		488,828	482,892
Operating profit	3	304,369	218,399
Interest receivable and similar income	4	932	577
Interest payable and similar charges	5	240	161
		<u>305,061</u>	<u>218,815</u>
Loss on write off of fixed assets investments		-	(40,002)
Waiver of loan from subsidiary undertaking		-	40,002
Profit on ordinary activities before taxation		<u>305,061</u>	<u>218,815</u>
Tax on profit on ordinary activities	8	45,935	43,576
Profit for the financial year		<u>350,996</u>	<u>262,391</u>
Retained earnings at the start of the year		3,446,163	3,183,772
Retained earnings at the end of the year		<u><u>3,797,159</u></u>	<u><u>3,446,163</u></u>

There were no discontinued operations in the year.

The notes on pages 12 to 22 form part of these financial statements.

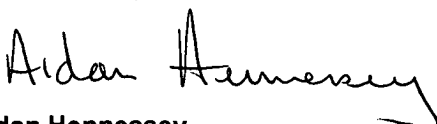
St. Modans Care Home Limited

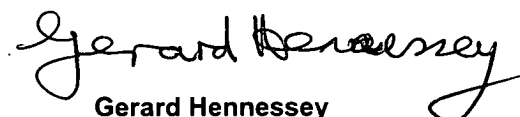
Statement of financial position
as at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible fixed assets	9	4,921,293	5,025,788
Current assets			
Stocks	10	2,692	2,419
Debtors: amounts falling due within one year	11	90,134	72,812
Cash at bank and in hand		70,487	168,634
		163,313	243,865
Creditors: amounts falling due within one year	12	948,329	1,415,362
Net current liabilities		(785,016)	(1,171,497)
Total assets less current liabilities		4,136,277	3,854,291
Provisions for liabilities	14	319,018	388,028
Net assets		3,817,259	3,466,263
Capital and reserves			
Called up share capital	15	20,100	20,100
Profit and loss account	16	3,797,159	3,446,163
Shareholders' funds		3,817,259	3,466,263

The notes on pages 12 to 22 form part of these financial statements.

The financial statements were approved and authorised for issue by the board on 29 September 2017 and signed on its behalf by:


Aidan Hennessey
Director


Gerard Hennessey
Director

Company registration number: SC086885

St. Modans Care Home Limited

**Statement of cash flows
for the year ended 31 March 2017**

	Note	2017 £	2016 £
Cash (outflow)/inflow from operating activities	17	(55,332)	179,236
Interest paid		(240)	(161)
Interest received		932	577
Tax paid		(24,993)	(113)
Net cash (outflow)/inflow from operating activities		<u>(79,633)</u>	<u>179,539</u>
 Cash outflows from investing activities			
Payments to acquire tangible fixed assets		(18,514)	(35,955)
Net cash outflow from investing activities		<u>(18,514)</u>	<u>(35,955)</u>
 Net (decrease)/increase in cash and cash equivalents		(98,147)	143,584
Cash and cash equivalents at 1 April		<u>168,634</u>	<u>25,050</u>
Cash and cash equivalents at 31 March		<u><u>70,487</u></u>	<u><u>168,634</u></u>
 Cash and cash equivalents consists of:			
Cash at bank and in hand		<u><u>70,487</u></u>	<u><u>168,634</u></u>

St. Modans Care Home Limited

Notes forming part of the financial statements for the year ended 31 March 2017

1. Significant accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements:

1.1 General information and basis of preparation

St. Modans Care Home Limited is a private limited company incorporated in Scotland. The address of the registered office is given in the company information on page 2 of these financial statements. The nature of the company's operations and principal activities is the provision of nursing care services.

The financial statements have been prepared in accordance with The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the company.

1.2 Turnover and other income

Turnover and other income is measured at the fair value of the consideration receivable net of VAT and discounts. The policies adopted for the recognition of turnover and other income as follows:

Rendering of services

When the outcome of a transaction can be estimated reliably, turnover from the provision of nursing care services is recognised by reference to the state of completion at the reporting date. The stage of completion is measured by reference to bed occupancy per day.

Where the outcome cannot be measured reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

Interest receivable

Interest income is recognised using the effective interest method.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Buildings	-	2%	straight line
Computer equipment	-	25%	straight line
Plant and equipment	-	10%	straight line
Fixtures and fittings	-	14 - 20%	straight line

Depreciation is not provided for on freehold land.

Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the costs of these assets.

St. Modans Care Home Limited

Notes forming part of the financial statements (continued) for the year ended 31 March 2017

1.3. Tangible fixed assets and depreciation (continued...)

Where there is objective evidence that the recoverable amount of an asset is less than its carrying value, the carrying amount of the asset is reduced to its recoverable amount resulting in an impairment loss. Impairment losses are recognised immediately in the Statement of Income and Retained Earnings, with the exception of losses on previously revalued tangible fixed assets, which are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset.

1.4 Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

1.5 Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is the expenditure incurred in the normal course of business in bringing the product to its present location and condition. Cost is calculated using the first in, first out basis.

1.6 Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

1.7 Pensions

The assets of the company's externally managed defined contribution funds are held separately from those of the company in independently administered funds. The amount charged to the Statement of Income and Retained Earnings represents the contributions payable to the schemes in respect of the accounting period.

1.8 Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

1.9 Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event and it is probable that an outflow of economic benefits will be required in settlement of that obligation and the amount can be reliably estimated.

1.10 Cash and cash equivalents

Cash, for the purpose of the Statement of Cash Flows, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

St. Modans Care Home Limited

**Notes forming part of the financial statements (continued)
for the year ended 31 March 2017**

1.11 Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and which are receivable or payable within one year are recorded at the transaction price. Any losses arising from impairment are recognised in the Statement of Income and Retained Earnings in other administrative expenses.

1.12 Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at the present value of future payments discounted at a market rate of interest.

1.13 Judgements and key sources of estimation uncertainty

No judgements have been made in the process of applying the above accounting policies. The following is the company's key source of estimation uncertainty:

Depreciation and tangible fixed assets

The company establishes a reliable estimate of the expected useful life and residual value of tangible fixed assets. The estimate of expected useful life and residual value of an asset is based upon a variety of factors such as the age when acquired, the expected frequency of use and the repair policy of the company.

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the company performs impairment tests based on either a fair value less costs to sell basis or a value in use basis. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from projections for the next twenty years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

There are no other key assumptions concerning the future or other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in Scotland.

St. Modans Care Home Limited

**Notes forming part of the financial statements (continued)
for the year ended 31 March 2017**

3. Operating profit

Operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	122,950	137,806
Auditor's remuneration	2,000	2,000
Loss on disposal of tangible fixed assets	59	-
	<u>124,950</u>	<u>139,806</u>

Amounts receivable by the company's auditor in respect of services to the company other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent, Meallmore Limited.

4. Interest receivable and similar income

	2017	2016
	£	£
Bank deposit interest	932	577
	<u>932</u>	<u>577</u>

5. Interest payable and similar charges

	2017	2016
	£	£
Other interest payable	240	161
	<u>240</u>	<u>161</u>

St. Modans Care Home Limited

**Notes forming part of the financial statements (continued)
for the year ended 31 March 2017**

6. Employees

6. 1. Number of employees

The average monthly number of employees
(including the directors) during the year was:

	2017 Number	2016 Number
Administration	2	2
Nursing and housekeeping	86	70
	<u>88</u>	<u>72</u>

6. 2. Employment costs

	2017 £	2016 £
Wages and salaries	1,375,655	1,140,227
Employer social security costs	74,436	73,212
Employee pension costs	7,065	14,968
	<u>1,457,156</u>	<u>1,228,407</u>

7. Pension costs

The company operates a number of defined contribution pension schemes, including schemes covered by the requirements of auto-enrolment legislation. The assets of the schemes are held separately from those of the company in independently administered funds. The charge for the year represents the contributions payable by the company to the schemes and amounted to £7,065 (2016 : £14,968). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

St. Modans Care Home Limited

**Notes forming part of the financial statements (continued)
for the year ended 31 March 2017**

8. Taxation

(a) Analysis of charge for the year

	2017	2016
	£	£
Current tax:		
Corporation tax	23,075	24,993
	<u> </u>	<u> </u>
Deferred tax:		
Origination and reversal of timing differences	(50,244)	(25,455)
Effect of changes of tax rate on opening liability	(18,766)	(43,114)
	<u> </u>	<u> </u>
Total deferred tax (note 14)	(69,010)	(68,569)
	<u> </u>	<u> </u>
Tax credit on profit on ordinary activities (note 8 (b))	<u>(45,935)</u>	<u>(43,576)</u>

(b) Reconciliation between the tax expense included in the profit and loss account and the profit on ordinary activities before tax multiplied by the applicable tax rate

	2017	2016
	£	£
Profit on ordinary activities before tax	305,061	218,815
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by standard rate of corporation tax at 20%	61,012	43,763
Effects of:		
Timing differences between capital allowances and depreciation	1,108	(4,127)
Trading losses group relieved	(47,423)	(19,000)
Permanent differences	14,165	14,218
Imputed interest charged	(5,787)	(9,861)
Deferred tax credit	(69,010)	(68,569)
	<u> </u>	<u> </u>
Current tax charge for the year (note 8 (a))	<u>(45,935)</u>	<u>(43,576)</u>

St. Modans Care Home Limited

**Notes forming part of the financial statements (continued)
for the year ended 31 March 2017**

8. Taxation (continued...)

(c) Factors that may effect future tax charge

The corporation tax rate was reduced to 19% from 1 April 2017. A further reduction to 17% from 1 April 2020 was substantively enacted on 6 September 2016.

Other timing differences

During the year ended 31 March 2009, the company purchased a nursing home from its subsidiary undertaking which resulted in a profit on disposal for its subsidiary undertaking. For tax purposes, the disposal qualified for group relief and accordingly the assets transferred at no tax cost. The company is now primarily responsible for any tax liabilities that may arise in relation to a future disposal of this home. Deferred taxation has been provided for in accordance with FRS 102 Section 29 (note 14).

9. Tangible fixed assets

	Freehold land and buildings £	Computer equipment £	Plant and machinery £	Fixture and fittings £	Total £
Cost					
At 1 April 2016	5,393,389	20,854	118,655	336,546	5,869,444
Additions	-	3,265	11,295	3,954	18,514
Disposals	-	(2,275)	(230)	(440)	(2,945)
At 31 March 2017	5,393,389	21,844	129,720	340,060	5,885,013
Depreciation					
At 1 April 2016	493,279	20,383	69,387	260,607	843,656
Charge for the year	76,058	717	12,858	33,317	122,950
Released on disposal	-	(2,275)	(171)	(440)	(2,886)
At 31 March 2017	569,337	18,825	82,074	293,484	963,720
Net book value					
At 31 March 2017	4,824,052	3,019	47,646	46,576	4,921,293
At 31 March 2016	4,900,110	471	49,268	75,939	5,025,788

Included within freehold land and buildings is land with a cost of £640,000 (2016 : £640,000).

St. Modans Care Home Limited

**Notes forming part of the financial statements (continued)
for the year ended 31 March 2017**

10. Stocks

	2017	2016
	£	£
Consumables	<u>2,692</u>	<u>2,419</u>

If stocks were stated at replacement cost (latest purchase price) they would not differ materially from the above.

11. Debtors

	2017	2016
	£	£
Trade debtors	84,140	68,098
Prepayments and other debtors	<u>5,994</u>	<u>4,714</u>
	<u>90,134</u>	<u>72,812</u>

12. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	116,181	85,098
Accruals	76,984	55,518
Corporation tax	23,075	24,993
PAYE and social security	17,896	16,921
VAT	475	438
Amounts due to group companies	<u>713,718</u>	<u>1,232,394</u>
	<u>948,329</u>	<u>1,415,362</u>

13. Securities

As security for bank loans to its parent company Hilton Rehabilitation Limited, Santander Plc holds a floating charge over all of the assets and undertakings of the company and a fixed charge over the property assets of the company.

St. Modans Care Home Limited

**Notes forming part of the financial statements (continued)
for the year ended 31 March 2017**

14. Provision for liabilities

Deferred taxation

	2017	2016
	£	£
Accelerated capital allowances	44,537	48,154
Other timing differences (note 8 (c))	274,481	339,874
	<u>319,018</u>	<u>388,028</u>

Movements on the provision for deferred taxation are:

	2017	2016
	£	£
At 1 April	388,028	456,597
Transferred to profit and loss account (note 8 (a))	(69,010)	(68,569)
At 31 March	<u>319,018</u>	<u>388,028</u>

15. Share capital

	2017	2016
	£	£
Allotted, called up and fully paid equity		
20,100 Ordinary shares of £ 1 each	<u>20,100</u>	<u>20,100</u>

16. Reserves

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

St. Modans Care Home Limited

**Notes forming part of the financial statements (continued)
for the year ended 31 March 2017**

17. Reconciliation of profit to cash (outflow)/inflow from operating activities

	2017	2016
	£	£
Profit for the financial year	350,996	262,391
Interest received and similar income	(932)	(577)
Interest payable and similar charges	240	161
Loss on write off of fixed assets investments	-	40,002
Waiver of loan from subsidiary undertaking	-	(40,002)
Tax on profit on ordinary activities	(45,935)	(43,576)
Operating profit	304,369	218,399
Depreciation of tangible fixed assets	122,950	137,806
Loss on disposal of tangible fixed assets	59	-
(Increase)/decrease in stocks	(273)	204
(Increase)/decrease in debtors	(17,322)	28,931
Decrease in creditors	(465,115)	(206,104)
Cash (outflow)/inflow from operating activities	(55,332)	179,236

18. Related party transactions

The company has availed of the exemption available in FRS 102 Section 33 Related Party Disclosures from disclosing transactions with wholly owned group undertakings.

During the year key management personnel had no transactions with the company and received no remuneration from the company for their services.

19. Ultimate parent undertaking

The largest group in which the results of the company are consolidated is that headed by the ultimate parent undertaking, Meallmore Limited, a company incorporated in Scotland with a registered office address at Caulfield House, Cradlehall Business Park, Inverness, IV2 5GH. No other group financial statements include the results of the company. The consolidated financial statements of Meallmore Limited are available to the public and may be obtained from Companies House, Fourth Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

St. Modans Care Home Limited

**Notes forming part of the financial statements (continued)
for the year ended 31 March 2017**

20. Financial instruments

The carrying amounts of the company's financial instruments are as follows:

	2017	2016
	£	£
Financial assets that are debt instruments measured at amortised cost		
Trade debtors (note 11)	84,140	68,098
Cash at bank and in hand	70,487	168,634
	<u>154,627</u>	<u>236,732</u>
Financial liabilities measured at amortised cost		
Trade creditors (note 12)	116,181	85,098
Amounts due to group companies (note 12)	713,718	1,232,394
	<u>829,899</u>	<u>1,317,492</u>

The income, expenses, net gains and net losses attributable to the company's financial instruments are summarised as follows:

	2017	2016
	£	£
Income/(expenses)		
Financial assets measured at amortised cost	932	577
Financial liabilities measured at amortised cost	<u>(240)</u>	<u>(161)</u>

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through the Statement of Income and Retained Earnings was £932 (2016 - £577) and £240 (2016 - £161) respectively.