

ABBEYSIDE NURSING HOME LIMITED - GROUP
FINANCIAL STATEMENTS
FOR
31 MARCH 2015

FRIDAY



S4HO3K3U

SCT

09/10/2015

#1122

COMPANIES HOUSE

RITSONS

Chartered Accountants & Statutory Auditor
103 High Street
ELGIN
Moray
IV30 1EB

ABBEYSIDE NURSING HOME LIMITED - GROUP

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

CONTENTS	PAGES
Officers and professional advisers	1
Strategic report	2 to 3
Directors' report	4 to 5
Statement of directors' responsibilities	6
Independent auditor's report to the shareholders	7 to 8
Group profit and loss account profit and loss account	9
Group statement of total recognised gains and losses	10
Group balance sheet	11
Company balance sheet	12
Group cash flow cash flow statement	13
Notes to the financial statements	14 to 30

ABBEYSIDE NURSING HOME LIMITED - GROUP

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mrs S M G Yeats
Mrs K J Yeats
Mr B J Yeats
Mr B M Yeats
Mr I G Yeats

Company secretary

Sheila Yeats

Registered office

St. David's
George Street
Bathgate
West Lothian
EH48 1PH

Auditor

Ritsons
Chartered Accountants
& Statutory Auditor
103 High Street
ELGIN
Moray
IV30 1EB

ABBEYSIDE NURSING HOME LIMITED - GROUP

STRATEGIC REPORT

YEAR ENDED 31 MARCH 2015

The Strategic Report is a statutory requirement under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and is intended to provide fair and balanced information that enables the Directors to be satisfied that they have complied with s172 of the Companies Act 2006 which sets out the Directors' duty to promote the success of the group.

PRINCIPAL ACTIVITY

The principal activity of the group during the year was that of nursing home operators and care service providers.

STRATEGIC REVIEW

A summary of the results are as follows:

	2015	2014
	£	£
Turnover	4,620,777	4,590,221
Operating (Loss)/Profit	(759,013)	660,716
(Loss)/Profit before tax	(1,161,080)	143,550
(Loss)/Profit after Tax	(1,157,901)	97,215
Shareholders Funds	4,353,181	5,047,567

The directors are satisfied with the results for the year ended 31st March 2015 and when exceptional expenses of £1,352,000 in relation to loan breakage costs are stripped out a profit before tax of £190,920 is realised.

The directors took the decision to refinance the company's bank debt during the year. Significant costs were associated with the move in relation to break costs as the Interest Rate Swap Derivative held had 14 years remaining to run. The directors, however, consider the decision to do this to be the correct one for the company as the refinance reduces the interest rate charged significantly as well as the monthly commitment which in turn will create a much higher debt servicing ratio.

PRINCIPAL RISKS AND UNCERTAINTIES

Abbeyside Nursing Home Limited - Group, like all businesses, faces a number of operating risks and uncertainties. There are a number of risks that could impact on the group's long term performance and steps are taken to understand and evaluate these in order to achieve the group's objective of creating long term sustainable returns.

The most fundamental risks faced by the group are:

- (a) if the group fails to comply with regulation, regulatory action could include, among other penalties, the revocation of a care home's licence to operate;
- (b) the group could suffer severe negative publicity if a serious incident were to occur at one of the group's care homes;
- (c) if budgeted occupancy levels are not achieved then profit will be reduced;
- (d) if average weekly fees do not, at least, rise in line with costs then profit margins will be reduced;

ABBEYSIDE NURSING HOME LIMITED - GROUP

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 MARCH 2015

(e) if the group fails to attract and retain nursing and other qualified staff, it may be unable to provide residents with quality nursing care and may have to reduce the number of beds in its care homes.

(f) if the group fails to obtain finance both short term and long term in nature, sufficient to allow it to meet its daily cash flow requirements and to fund the fixed assets it uses in its business.

KEY PERFORMANCE INDICATORS

In reviewing the performance of the group and to assist in strategic decision-making, the directors review periodic management accounts and information which include:

Gross Profitability: for both group and company, this has increased by 0.2%.

Occupancy: the directors continually monitor occupancy levels at all of the homes as well as the mix of residents between residential care and nursing care.

Financial Instruments such as trade debtors and trade creditors are managed so as to maximise the cash flow of the group, and measurement of debtor and creditor days monitored for the same purpose.

Signed by order of the directors



Sheila Yeats
Company Secretary

Approved by the directors on 25/9/15

ABBEYSIDE NURSING HOME LIMITED - GROUP

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2015

The directors present their report and the financial statements of the group for the year ended 31 March 2015.

RESULTS AND DIVIDENDS

The loss for the year amounted to £1,157,901. Particulars of dividends paid are detailed in note 10 to the financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group holds or issues financial instruments in order to achieve three main objectives, being:

- to finance its operations
- to manage its exposure to risks arising from its operation and from its sources of finance; and
- for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the group's operations.

The group has taken steps to limit its exposure to credit and price risks, by fixing borrowing rates and participating in a purchase scheme.

DIRECTORS

The directors who served the company during the year and up to the date of this report are listed on page 1.

STRATEGIC REPORT

The Strategic Report contains details of the principal activity of the group and an overview which provides detailed information on the group's business during the year.

AUDITOR

Ritsons are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

ABBEYSIDE NURSING HOME LIMITED - GROUP

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2015

Registered office:
St. David's
George Street
Bathgate
West Lothian
EH48 1PH

Signed by order of the directors



Sheila Yeats
Company Secretary

Approved by the directors on 25/9/15

ABBEYSIDE NURSING HOME LIMITED - GROUP

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 MARCH 2015

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 group and of the profit or loss of the group for that year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

ABBEYSIDE NURSING HOME LIMITED - GROUP

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ABBEYSIDE NURSING HOME LIMITED - GROUP

YEAR ENDED 31 MARCH 2015

We have audited the group and parent company financial statements ("the financial statements") of Abbesside Nursing Home Limited - Group for the year ended 31 March 2015 on pages 9 to 30. 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).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 Directors' Responsibilities Statement set out on page 6, 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2015 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

ABBEYSIDE NURSING HOME LIMITED - GROUP

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ABBEYSIDE NURSING HOME LIMITED - GROUP *(continued)*

YEAR ENDED 31 MARCH 2015

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion 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.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

DEBORAH NEWTON (Senior Statutory Auditor)
For and on behalf of
RITSONS
Chartered Accountants
& Statutory Auditor

103 High Street
ELGIN
Moray
IV30 1EB

25 September '15

ABBEYSIDE NURSING HOME LIMITED - GROUP

GROUP PROFIT AND LOSS ACCOUNT PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2015

	Note	2015 £	2014 £
GROUP TURNOVER	2	4,620,777	4,590,221
Cost of sales		<u>2,829,553</u>	<u>2,816,249</u>
GROSS PROFIT		1,791,224	1,773,972
Administrative expenses		<u>2,551,619</u>	<u>1,124,587</u>
Other operating income	3	<u>(1,382)</u>	<u>(11,331)</u>
OPERATING (LOSS)/PROFIT	4	(759,013)	660,716
Attributable to:			
Operating profit before exceptional items		<u>592,987</u>	<u>660,716</u>
Exceptional items	4	<u>(1,352,000)</u>	<u>—</u>
		(759,013)	660,716
Loss on revaluation below original cost		<u>—</u>	<u>(28,360)</u>
		(759,013)	632,356
Interest receivable		<u>4,809</u>	<u>5,402</u>
Interest payable and similar charges	7	<u>(406,876)</u>	<u>(494,208)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,161,080)	143,550
Tax on (loss)/profit on ordinary activities	8	<u>(3,179)</u>	<u>46,335</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	9	<u>(1,157,901)</u>	<u>97,215</u>

All of the activities of the group are classed as continuing.

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account.

The notes on pages 14 to 30 form part of these financial statements.

ABBEYSIDE NURSING HOME LIMITED - GROUP
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 MARCH 2015

	2015 £	2014 £
(Loss)/Profit for the financial year attributable to the shareholders of the parent company	(1,157,901)	97,215
Unrealised profit/(loss) on revaluation of certain fixed assets	<u>571,655</u>	<u>(46,640)</u>
Total gains and losses recognised since the last annual report	<u>(586,246)</u>	<u>50,575</u>

The notes on pages 14 to 30 form part of these financial statements.

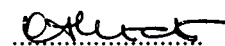
ABBEYSIDE NURSING HOME LIMITED - GROUP

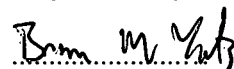
GROUP BALANCE SHEET

31 MARCH 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Intangible assets	11	74,787	109,641
Tangible assets	12	10,994,817	10,695,947
		<u>11,069,604</u>	<u>10,805,588</u>
CURRENT ASSETS			
Stocks	14	14,350	15,150
Debtors	15	537,412	583,288
Cash at bank and in hand		16,998	123,621
		<u>568,760</u>	<u>722,059</u>
CREDITORS: Amounts falling due within one year	16	<u>665,653</u>	<u>6,383,900</u>
NET CURRENT LIABILITIES		<u>(96,893)</u>	<u>(5,661,841)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,972,711</u>	<u>5,143,747</u>
CREDITORS: Amounts falling due after more than one year	17	6,557,168	31,800
PROVISIONS FOR LIABILITIES			
Deferred taxation	19	62,362	64,380
		<u>4,353,181</u>	<u>5,047,567</u>
CAPITAL AND RESERVES			
Called up equity share capital	23	21,200	21,200
Revaluation reserve	24	4,167,438	3,595,783
Profit and loss account	24	164,543	1,430,584
SHAREHOLDERS' FUNDS	25	<u>4,353,181</u>	<u>5,047,567</u>

These accounts were approved by the directors and authorised for issue on 25/05/15, and are signed on their behalf by:


Mrs K J Yeats


Mr B M Yeats


Mr B J Yeats

The notes on pages 14 to 30 form part of these financial statements.

ABBEYSIDE NURSING HOME LIMITED - GROUP

COMPANY BALANCE SHEET

31 MARCH 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Intangible assets	11	74,787	117,937
Tangible assets	12	10,994,817	10,695,947
Investments	13	3,035,130	3,035,130
		<u>14,104,734</u>	<u>13,849,014</u>
CURRENT ASSETS			
Stocks	14	14,350	15,150
Debtors	15	537,412	583,288
Cash at bank and in hand		16,998	123,621
		<u>568,760</u>	<u>722,059</u>
CREDITORS: Amounts falling due within one year	16	<u>665,653</u>	<u>6,383,899</u>
NET CURRENT LIABILITIES		<u>(96,893)</u>	<u>(5,661,840)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,007,841</u>	<u>8,187,174</u>
CREDITORS: Amounts falling due after more than one year	17	10,001,500	3,476,132
PROVISIONS FOR LIABILITIES			
Deferred taxation	19	62,362	64,380
		<u>3,943,979</u>	<u>4,646,662</u>
CAPITAL AND RESERVES			
Called up equity share capital	23	21,200	21,200
Revaluation reserve	24	4,018,104	3,446,449
Profit and loss account	24	(95,325)	1,179,013
SHAREHOLDERS' FUNDS		<u>3,943,979</u>	<u>4,646,662</u>

These accounts were approved by the directors and authorised for issue on, and are signed on their behalf by:

.....
Mrs K J Yeats

.....
Mr B J Yeats

.....
Mr B M Yeats

Company Registration Number: SC098774

The notes on pages 14 to 30 form part of these financial statements.

ABBEYSIDE NURSING HOME LIMITED - GROUP

GROUP CASH FLOW CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2015

	Note	2015 £	2014 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	26	(520,594)	659,012
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	26	(402,067)	(488,806)
TAXATION	26	(68,596)	11,178
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	26	161,366	(160,023)
EQUITY DIVIDENDS PAID		(108,140)	(42,000)
CASH OUTFLOW BEFORE FINANCING		<u>(938,031)</u>	<u>(20,639)</u>
FINANCING	26	869,698	(232,699)
DECREASE IN CASH	26	<u>(68,333)</u>	<u>(253,338)</u>

The notes on pages 14 to 30 form part of these financial statements.

ABBEYSIDE NURSING HOME LIMITED - GROUP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, subject to the departures referred to below.

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practices.

No material uncertainties that cast significant doubt about the ability of the group to continue as a going concern have been identified by the directors.

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and negative goodwill on consolidation is capitalised and amortised over the expected useful economic lives of the non-monetary assets acquired. The results of the companies acquired or disposed of are included in the profit and loss accounts after or up to the date that control passes retrospectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

The company's subsidiary is exempt from the requirements to prepare individual accounts under s394A of the Companies Act 2006. Abbesside Nursing Home Limited has provided a guarantee in respect of this exemption under s394C of the Companies Act 2006.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced or otherwise accrued in respect of care services provided in the period under review.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

ABBEYSIDE NURSING HOME LIMITED - GROUP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES *(continued)*

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 10 years and 20 years straight line

Fixed assets

All fixed assets are initially recorded at cost.

The group has established a policy of revaluation of property.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, Fittings & Equipment	- 15% Reducing Balance & 25% Straight Line
Motor Vehicles	- 25% Reducing Balance
Equipment	- 33% Reducing Balance

No depreciation has been charged on freehold properties contrary to Financial Reporting Standard 15 "Tangible Fixed Assets". The directors consider that this departure from United Kingdom Generally Accepted Accounting Practice is necessary to give a true and fair view, as they consider that the residual values of freehold properties are at least equal to their net book values, their estimated remaining useful lives exceed 50 years, and any depreciation would therefore be immaterial. In addition, the Group has a policy and practice of regular maintenance and repairs (charges for which are recognised in the profit and loss account) such that the properties are kept to their previously assessed standards of performance.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving stock.

Pension costs

The company operates defined contribution pension schemes for its employees and one of the directors. The assets of the schemes are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

ABBEYSIDE NURSING HOME LIMITED - GROUP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Investments

Investments are included at cost.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the group. An analysis of turnover is given below:

	2015 £	2014 £
United Kingdom	<u>4,620,777</u>	<u>4,590,221</u>

ABBEYSIDE NURSING HOME LIMITED - GROUP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

3. OTHER OPERATING INCOME

	2015	2014
	£	£
Other operating income	<u>1,382</u>	<u>11,331</u>

4. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	2015	2014
	£	£
Amortisation of intangible assets	13,854	12,890
Depreciation of owned fixed assets	111,325	126,616
Loss on disposal of fixed assets	21,094	—
Auditor's remuneration		
- as auditor	14,040	14,004
Loan Breakage Costs	<u>1,352,000</u>	<u>—</u>

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

	2015	2014
	No	No
Administrative staff	4	4
Management staff	5	5
Care and catering staff	<u>191</u>	<u>209</u>
	<u>200</u>	<u>218</u>

The aggregate payroll costs of the above were:

	2015	2014
	£	£
Wages and salaries	2,612,918	2,672,432
Social security costs	120,239	132,691
Other pension costs	39,990	4,113
Other pension costs	<u>1,440</u>	<u>1,200</u>
	<u>2,774,587</u>	<u>2,810,436</u>

ABBEYSIDE NURSING HOME LIMITED - GROUP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2015 £	2014 £
Remuneration receivable	177,580	207,551
Value of company pension contributions to money purchase schemes	1,440	1,200
	<u>179,020</u>	<u>208,751</u>

Remuneration of highest paid director:

	2015 £	2014 £
Total remuneration (excluding pension contributions)	<u>—</u>	<u>48,396</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Interest payable on bank borrowing	387,376	470,598
Other similar charges payable	19,500	23,610
	<u>406,876</u>	<u>494,208</u>

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2015 £	2014 £
Current tax:		
UK Corporation tax based on the results for the year at 20% (2014 - 20%)	-	29,819
Under / (over) provision in prior year	(1,161)	(141)
Total current tax	<u>(1,161)</u>	<u>29,678</u>
Deferred tax:		
Origination and reversal of timing differences	(2,018)	16,657
Tax on (loss)/profit on ordinary activities	<u>(3,179)</u>	<u>46,335</u>

ABBEYSIDE NURSING HOME LIMITED - GROUP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

8. TAXATION ON ORDINARY ACTIVITIES *(continued)*

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total amount unprovided for is £702,966. This amount includes £399,065 in respect of the transfer of The Grove, on a no gain no loss basis, by MacDonald & Forster to Abbesside Nursing Home Ltd as part of the hive up arrangement on 31 March 2010. At present, it is not envisaged that any tax will become payable in the foreseeable future.

The UK Corporation tax for the year has been reduced down to nil as a result of the exceptional item of £1,352,000 in relation to loan breakage costs. The notional tax charge for the group had this expense not been incurred amounts to £53,633.

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2014 - 20%).

	2015 £	2014 £
(Loss)/profit on ordinary activities before taxation	<u>(1,161,080)</u>	<u>143,550</u>
(Loss)/profit on ordinary activities by rate of tax	(232,216)	28,710
Expenses not deductible for tax purposes	11,999	13,285
Capital allowances for period in excess of depreciation	3,450	(10,069)
Utilisation of tax losses	30,781	-
Unrelieved tax losses	186,948	-
Under / (over) provision in prior year	(1,161)	-
Income not chargeable for tax purposes	(962)	(2,107)
Sundry tax adjusting items	-	(141)
Total current tax (note 8(a))	<u>(1,161)</u>	<u>29,678</u>

9. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £(1,166,197) (2014 - £82,351).

10. DIVIDENDS

Equity dividends

	2015 £	2014 £
Paid during the year:		
Equity dividends on ordinary shares	<u>108,140</u>	<u>42,000</u>

ABBEYSIDE NURSING HOME LIMITED - GROUP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

11. INTANGIBLE ASSETS

Group	Goodwill consolidation £	Negative goodwill on £	Total £
COST			
At 1 April 2014	429,000	(84,735)	344,265
Disposals	(56,000)	—	(56,000)
At 31 March 2015	<u>373,000</u>	<u>(84,735)</u>	<u>288,265</u>
AMORTISATION			
At 1 April 2014	311,063	(76,439)	234,624
Charge for the year	22,150	(8,296)	13,854
On disposals	(35,000)	—	(35,000)
At 31 March 2015	<u>298,213</u>	<u>(84,735)</u>	<u>213,478</u>
NET BOOK VALUE			
At 31 March 2015	<u>74,787</u>	<u>—</u>	<u>74,787</u>
At 31 March 2014	<u>117,937</u>	<u>(8,296)</u>	<u>109,641</u>
Company			Goodwill £
COST			
At 1 April 2014			429,000
Disposals			(56,000)
At 31 March 2015			<u>373,000</u>
AMORTISATION			
At 1 April 2014			311,063
Charge for the year			22,150
On disposals			(35,000)
At 31 March 2015			<u>298,213</u>
NET BOOK VALUE			
At 31 March 2015			<u>74,787</u>
At 31 March 2014			<u>117,937</u>

ABBEYSIDE NURSING HOME LIMITED - GROUP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

12. TANGIBLE ASSETS

Group	Freehold Land & Buildings £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Equipment £	Total £
COST OR VALUATION					
At 1 April 2014	10,109,090	1,672,828	28,550	27,740	11,838,208
Additions	–	43,402	–	10,138	53,540
Disposals	(215,000)	–	–	–	(215,000)
Revaluation	571,655	–	–	–	571,655
At 31 March 2015	10,465,745	1,716,230	28,550	37,878	12,248,403
DEPRECIATION					
At 1 April 2014	–	1,098,090	24,762	19,409	1,142,261
Charge for the year	–	101,628	948	8,749	111,325
At 31 March 2015	–	1,199,718	25,710	28,158	1,253,586
NET BOOK VALUE					
At 31 March 2015	10,465,745	516,512	2,840	9,720	10,994,817
At 31 March 2014	10,109,090	574,738	3,788	8,331	10,695,947

TANGIBLE FIXED ASSETS (continued)

The properties were revalued, in accordance with the RICS Valuation Standards 8th Edition, on the basis of their market value, by Jones Lang LaSalle on 29 July 2014. The values attributed at that date were: Abbeyside Nursing Home £1,090,000 (cost £675,743); Abbeyvale Nursing Home £4,000,000 (cost £2,140,080); The Grove Nursing Home £4,730,000 (cost £1,588,509); Whinnybank Residential Home £460,000 (cost £450,211) and Roja £120,000 (cost £209,476).

The Directors are confident that the market values of the properties obtained at the above dates correctly reflect the values as at 31 March 2015.

No provision for deferred tax has been made on revaluation gains. See note 8 for full details.

ABBEYSIDE NURSING HOME LIMITED - GROUP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

12. TANGIBLE ASSETS *(continued)*

Company	Freehold Land & Buildings £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Equipment £	Total £
COST OR VALUATION					
At 1 April 2014	10,109,090	1,672,828	28,550	27,740	11,838,208
Additions	–	43,402	–	10,138	53,540
Disposals	(215,000)	–	–	–	(215,000)
Revaluation	571,655	–	–	–	571,655
At 31 March 2015	10,465,745	1,716,230	28,550	37,878	12,248,403
DEPRECIATION					
At 1 April 2014	–	1,098,090	24,762	19,409	1,142,261
Charge for the year	–	101,628	948	8,749	111,325
At 31 March 2015	–	1,199,718	25,710	28,158	1,253,586
NET BOOK VALUE					
At 31 March 2015	10,465,745	516,512	2,840	9,720	10,994,817
At 31 March 2014	10,109,090	574,738	3,788	8,331	10,695,947

The properties were revalued, in accordance with the RICS Valuation Standards 8th Edition, on the basis of their market value, by Jones Lang LaSalle on 29 July 2014. The values attributed at that date were: Abbesside Nursing Home £1,090,000 (cost £675,743); Abbeyvale Nursing Home £4,000,000 (cost £2,140,080); The Grove Nursing Home £4,730,000 (cost £3,929,471); Whinnybank Residential Home £460,000 (cost £450,211) and Roja £120,000 (cost £209,476).

The Directors are confident that the market values of the properties obtained at the above dates correctly reflect the values as at 31 March 2015.

No provision for deferred tax has been made on revaluation gains. See note 8 for full details.

ABBEYSIDE NURSING HOME LIMITED - GROUP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

13. INVESTMENTS

Company	Total £
COST	
At 1 April 2014 and 31 March 2015	<u>3,035,130</u>
NET BOOK VALUE	
At 31 March 2015 and 31 March 2014	<u>3,035,130</u>

The company owns 100% of the issued ordinary share capital of MacDonald & Forster Limited (SC 191684), a company which did not trade in the year and is registered in Scotland.

14. STOCKS

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Stock	<u>14,350</u>	<u>15,150</u>	<u>14,350</u>	<u>15,150</u>

15. DEBTORS

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	334,747	368,866	334,747	368,866
Corporation tax repayable	1,161	–	1,161	–
Other debtors	40,234	37,950	40,234	37,950
Directors current accounts	159,960	155,107	159,960	155,107
Prepayments and accrued income	1,310	21,365	1,310	21,365
	<u>537,412</u>	<u>583,288</u>	<u>537,412</u>	<u>583,288</u>

ABBEYSIDE NURSING HOME LIMITED - GROUP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

16. CREDITORS: Amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts	346,298	6,040,258	346,298	6,040,258
Trade creditors	149,200	96,235	149,200	96,235
Other creditors including taxation and social security:				
Corporation tax	–	68,596	–	68,596
Other taxation and social security	34,810	37,857	34,810	37,857
Other creditors	101,499	105,065	101,499	105,065
Accruals and deferred income	33,846	35,889	33,846	35,888
	<u>665,653</u>	<u>6,383,900</u>	<u>665,653</u>	<u>6,383,899</u>

The secured treasury and ordinary bank loans were refinanced with a bank term loan in November 2014 for 20 years.

The new term loan interest rate has been set at base rate plus a margin of 1.65% annum.

The refinanced loan is secured by a Bond and Floating Charge over the company's assets and a Cross Corporate Guarantee between Abbesside and its subsidiary, MacDonald & Forster.

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts	<u>346,298</u>	<u>6,040,258</u>	<u>346,298</u>	<u>6,040,258</u>

17. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts	6,525,368	–	6,525,368	–
Amounts owed to group undertakings	–	–	3,444,332	3,444,332
Shares classed as financial liabilities	31,800	31,800	31,800	31,800
	<u>6,557,168</u>	<u>31,800</u>	<u>10,001,500</u>	<u>3,476,132</u>

ABBEYSIDE NURSING HOME LIMITED - GROUP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

17. CREDITORS: Amounts falling due after more than one year *(continued)*

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts	<u>6,525,368</u>	<u>-</u>	<u>6,525,368</u>	<u>-</u>

18. PENSIONS

The group operates defined contributions pension schemes and the pension charge represents the amounts payable by the group to the funds in respect of the year. The amount of contribution paid under the scheme is £39,990 (2014 - £4,113).

19. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Provision brought forward	64,380	47,723	64,380	47,723
(Decrease)/Increase in provision	<u>(2,018)</u>	<u>16,657</u>	<u>(2,018)</u>	<u>16,657</u>
Provision carried forward	<u>62,362</u>	<u>64,380</u>	<u>62,362</u>	<u>64,380</u>

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

Group	2015		2014	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>62,362</u>	<u>-</u>	<u>64,380</u>	<u>-</u>

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of:

Company	2015		2014	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>62,362</u>	<u>-</u>	<u>64,380</u>	<u>-</u>

ABBEYSIDE NURSING HOME LIMITED - GROUP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

20. DERIVATIVES

In the previous year the group had a rate swap agreement in place fixing the loan interest rate at 5.055% per annum until 31 March 2028. This swap rate was refinanced during the year as detailed in note 16.

21. CONTINGENCIES

There is a cross guarantee between the parent company and its subsidiary, MacDonald & Forster Limited, in favour of Bank of Scotland.

22. RELATED PARTY TRANSACTIONS

The group was under the control of Mrs S Yeats, the managing director, and members of her close family, who are also directors in the group, throughout the current and prior year. Mrs S Yeats is personally interested in 60% (2014 - 60%) of the group's share capital. In addition, her adult children control in aggregate a further 40% (2014 - 40%) of the group's issued share capital.

During the year the group made advances totalling £17,255 (2014 - £56,358) to Mrs S Yeats in relation to private expenditure. During the year Mrs S Yeats repaid £9,600 (2014 - £33,200) and the balance due by Mrs S Yeats at the year end was £10,711 (2014 - £2,566). The maximum balance outstanding at any time during the year was £12,753 (2014 - £6,011) due by Mrs S Yeats to the group. No repayment terms are in place for this balance and interest of £310 has been charged on the outstanding balance.

During the year the group made advances totalling £27,450 (2014 - £118,221) to Mr Brian Yeats in relation to private expenditure. During the year Mr Brian Yeats repaid £30,000 (2014 - £14,000) and the balance owed by Mr Brian Yeats at the year end was £76,769 (2014 - £77,049). The maximum balance outstanding at any time during the year was £77,774 (2014 - £77,049) due by Mr Brian Yeats to the group. No repayment terms are in place for this balance and interest of £2,270 has been charged on the outstanding balance.

During the year the group made advances totalling £24,758 (2014 - £111,944) to Mr Bruce Yeats in relation to private expenditure. During the year Mr Bruce Yeats repaid £30,000 (2014 - £14,000) and the balance owed by Mr Bruce Yeats at the year end was £72,480 (2014 - £75,493). The maximum balance outstanding at any time during the year was £80,251 (2014 - £77,076) due by Mr Bruce Yeats to the group. No repayment terms are in place and interest of £2,229 has been charged on the outstanding balance.

During the year dividends were paid to Mrs Sheena Yeats of £67,639 (2014 - £37,610).

During the year dividends were paid to Mr Brian Yeats of £30,000 (2014 - £14,000).

During the year dividends were paid to Mr Bruce Yeats of £30,000 (2014 - £14,000).

Included within trade creditors at the balance sheet date is £24,355 (2014 - £196) due by the group to McKerron & Milne Limited, a company under the control of Mr Brian Yeats, a director and shareholder of Abbesside Nursing Home Limited. During the year, there were transactions of £61,648 (2014 - £42,086) with this company, which related to the provision of goods and services in the normal course of business.

ABBEYSIDE NURSING HOME LIMITED - GROUP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

23. SHARE CAPITAL

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
B Ordinary shares of £1 each	10,600	10,600	10,600	10,600
C Ordinary shares of £1 each	10,600	10,600	10,600	10,600
A Ordinary shares of £1 each	31,800	31,800	31,800	31,800
	<u>53,000</u>	<u>53,000</u>	<u>53,000</u>	<u>53,000</u>

Amounts presented in equity:

	2015	2014
	£	£
10,600 B Ordinary shares of £1 each	10,600	10,600
10,600 C Ordinary shares of £1 each	10,600	10,600
	<u>21,200</u>	<u>21,200</u>

Amounts presented in liabilities:

31,800 A Ordinary shares of £1 each	<u>31,800</u>	<u>31,800</u>
-------------------------------------	---------------	---------------

After payment of the preference dividend, A, B and C shares rank pari passu.

24. RESERVES

Group	Revaluation reserve	Profit and loss account
	£	£
Balance brought forward	3,595,783	1,430,584
Loss for the year	—	(1,157,901)
Equity dividends	—	(108,140)
Other gains and losses		
- Revaluation of fixed assets	571,655	—
Balance carried forward	<u>4,167,438</u>	<u>164,543</u>

ABBEYSIDE NURSING HOME LIMITED - GROUP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

24. RESERVES *(continued)*

Company	Revaluation reserve £	Profit and loss account £
Balance brought forward	3,446,449	1,179,013
Loss for the year	—	(1,166,197)
Equity dividends	—	(108,141)
Other gains and losses		
- Revaluation of fixed assets	571,655	—
Balance carried forward	<u>4,018,104</u>	<u>(95,325)</u>

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
(Loss)/Profit for the financial year	(1,157,901)	97,215
Other net recognised gains and losses	571,655	(46,640)
Equity dividends	(108,140)	(42,000)
Net (reduction)/addition to shareholders' funds	(694,386)	8,575
Opening shareholders' funds	<u>5,047,567</u>	<u>5,038,992</u>
Closing shareholders' funds	<u>4,353,181</u>	<u>5,047,567</u>

26. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating (loss)/profit	(759,013)	660,716
Amortisation	13,854	12,890
Depreciation	111,325	126,616
Loss on disposal of fixed assets	21,094	—
Decrease in stocks	800	—
Decrease in debtors	47,037	169,866
Increase/(decrease) in creditors	44,309	(311,076)
Net cash (outflow)/inflow from operating activities	<u>(520,594)</u>	<u>659,012</u>

ABBEYSIDE NURSING HOME LIMITED - GROUP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

26. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2015	2014
	£	£
Interest received	4,809	5,402
Interest paid	(387,376)	(470,598)
Dividends on shares classed as financial liabilities	(19,500)	(23,610)
Net cash outflow from returns on investments and servicing of finance	<u>(402,067)</u>	<u>(488,806)</u>

TAXATION

	2015	2014
	£	£
Taxation	<u>(68,596)</u>	<u>11,178</u>

CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2015	2014
	£	£
Payments to acquire tangible fixed assets	(53,540)	(160,023)
Receipts from sale of fixed assets	214,906	28,360
Disposal of fixed asset investments	—	(28,360)
Net cash inflow/(outflow) for capital expenditure and financial investment	<u>161,366</u>	<u>(160,023)</u>

FINANCING

	2015	2014
	£	£
Increase in/(repayment of) bank loans	<u>869,698</u>	<u>(232,699)</u>
Net cash inflow/(outflow) from financing	<u>869,698</u>	<u>(232,699)</u>

ABBEYSIDE NURSING HOME LIMITED - GROUP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

26. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2015	2014
	£	£
Decrease in cash in the period	(68,333)	(253,338)
Net cash (inflow) from/outflow from bank loans	<u>(869,698)</u>	<u>232,699</u>
	<u>(938,031)</u>	<u>(20,639)</u>
Change in net debt	<u>(938,031)</u>	<u>(20,639)</u>
Net debt at 1 April 2014	<u>(5,948,437)</u>	<u>(5,927,798)</u>
Net debt at 31 March 2015	<u><u>(6,886,468)</u></u>	<u><u>(5,948,437)</u></u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2014	Cash flows	Other changes	At 31 Mar 2015
	£	£	£	£
Net cash:				
Cash in hand and at bank	123,621	(106,623)	–	16,998
Overdrafts	<u>(103,413)</u>	<u>38,290</u>	–	<u>(65,123)</u>
	<u>20,208</u>	<u>(68,333)</u>	–	<u>(48,125)</u>
Debt:				
Debt due within 1 year	(5,936,845)	12,181,038	(6,525,368)	(281,175)
Debt due after 1 year	<u>(31,800)</u>	<u>(13,050,736)</u>	<u>6,525,368</u>	<u>(6,557,168)</u>
	<u>(5,968,645)</u>	<u>(869,698)</u>	–	<u>(6,838,343)</u>
Net debt	<u><u>(5,948,437)</u></u>	<u><u>(938,031)</u></u>	–	<u><u>(6,886,468)</u></u>