

**ABBOTSFORD CARE (GLENROTHES)
LIMITED**

**ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2014**

TUESDAY



S44BUM0V

SCT

31/03/2015

#208

COMPANIES HOUSE

C|
— T

ABBOTSFORD CARE (GLENROTHES) LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2014

Contents	Pages
Officers and professional advisers	1
Strategic report	2
The director's report	3 to 4
Independent auditor's report to the company	5
Abbreviated profit and loss account	6
Abbreviated balance sheet	7
Cash flow statement	8
Notes to the abbreviated accounts	9 to 16

ABBOTSFORD CARE (GLENROTHES) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The Director	Mrs K McKechnie
Company Secretary	Mrs Alyson Vale
Registered Office	Abbotsford Strathburn Drive Glenrothes Scotland KY7 4UQ
Auditor	Chiene + Tait LLP Chartered Accountants & Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL
Bankers	Bank of Scotland 9 Falkland Gate Glenrothes KY7 5LW

ABBOTSFORD CARE (GLENROTHES) LIMITED

STRATEGIC REPORT

YEAR ENDED 31 MARCH 2014

The director presents her strategic report of the company for the year ended 31 March 2014.

REVIEW AND ANALYSIS OF THE BUSINESS DURING THE CURRENT YEAR

Abbotsford Care (Glenrothes) Limited operates eight nursing homes across Fife.

Key performance indicators

Management use a range of performance measures to monitor and manage the business. The performance measures are split into financial and non-financial key performance indicators as set out below.

Analysis using key performance indicators

The company is reporting a profit of £137,640 for the financial year to 31 March 2014. Turnover for the company has improved by 25.5% from 2013 (£6,889,675) to 2014 (£8,644,359). The company has a gross profit percentage of 24.2% for 2014 compared to 26.0% in 2013.

The company's key non-financial performance indicator is occupancy levels and these are monitored on a regular basis. Average occupancy for the year to 31 March 2014 was 82.64%.

Development and financial performance during the year

As reported in the Company's profit and loss account, the profit for the year, after taxation, amounted to £137,640 (2013: £367,907). The decrease is due to substantially increased agency staff costs during the year. Particulars of dividends paid are detailed in the notes to the financial statements.

Financial position at the reporting date

The balance sheet shows that the Company's net assets at the year end are £2,413,548 (2013: £2,314,684). The company generated cash from operations of £268,292 and invested £257,116 in fixed assets, mainly in fixtures and fittings across the eight nursing homes.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS

Management continually monitor the key risks facing the Company. The principal risks of Abbotsford Care (Glenrothes) Limited are as follows:

Occupancy, the Company acknowledges the importance to profitability of maintaining high occupancy levels in order to maximise the benefit derived from the substantial fixed costs in place at each care home.

Care Commission gradings and patients' care, the Company acknowledges the importance of maintaining a high level of care in order to achieve customer satisfaction and maintain good Care Commission gradings which have a direct effect on income and profitability.

Loss of key personnel, this would present significant operational difficulties for the Company. Management seek to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised.

These are all monitored closely and procedures are in place to mitigate these risks.

Signed by
Mrs K McKechnie



Director

Approved by the director on 16 March 2015

ABBOTSFORD CARE (GLENROTHES) LIMITED

DIRECTOR'S REPORT

YEAR ENDED 31 MARCH 2014

The director presents her report and the financial statements of the company for the year ended 31 March 2014.

Results and dividends

The profit for the year, after taxation, amounted to £137,640. Particulars of dividends paid are detailed in note 7 to the financial statements.

The director and her interests in the shares of the company

The director who served the company during the year together with her beneficial interests in the shares of the company was as follows:

	Class of share	At 31 March 2014	At 1 April 2013
Mrs K McKechnie	Ordinary £1.00 each	<u>2,000</u>	<u>2,000</u>

Director's responsibilities

The director is responsible for preparing the Strategic Report, Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, the director is 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 company will continue in business.

The director is 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 her to ensure that the financial statements comply with the Companies Act 2006. She is 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.

Donations

No individual donations amounted to more than £2,000.

Disabled employees

It is the company's policy to give employment and the relevant training to disabled persons wherever practicable. At present 2 of our full time staff are registered disabled.

Strategic report

The strategic report is set out on page 2.

ABBOTSFORD CARE (GLENROTHES) LIMITED

DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 MARCH 2014

Auditor

The Company's auditors, Chiene + Tait, have advised us that as of 1 October 2014 they transferred their entire business to Chiene + Tait LLP. Accordingly their existing appointment terminated on 30 September 2014.

The director has appointed Chiene + Tait LLP as auditors with effect from 1 October 2014.

The director at the date of the approval of this report confirms that:

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

Signed by



Mrs K McKechnie

Director

Approved by the director on16 March 2015.....

ABBOTSFORD CARE (GLENROTHES) LIMITED

INDEPENDENT AUDITOR'S REPORT TO ABBOTSFORD CARE (GLENROTHES) LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006



We have examined the abbreviated accounts which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes, together with the financial statements of Abbotsford Care (Glenrothes) Limited for the year ended 31 March 2014 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

The director is responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Other information

On 16 March 2015 we reported as auditor to the members of the company on the full financial statements prepared under section 396 of the Companies Act 2006 and our report included the following paragraph:

Other matter

The financial statements of Abbotsford Care (Glenrothes) Limited for the year ended 31 March 2013 were not audited.

A handwritten signature in black ink, appearing to read 'Kenneth McDowell'.

KENNETH McDOWELL CA (Senior Statutory Auditor)

For and on behalf of

CHIENE + TAIT LLP

Chartered Accountants & Statutory Auditor

61 Dublin Street

Edinburgh

EH3 6NL

26 March 2015

ABBOTSFORD CARE (GLENROTHES) LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2014

	Note	2014 £	2013 £
Turnover		8,644,359	6,889,675
Cost of Sales and Other operating income		6,544,147	5,101,704
Administrative expenses		1,907,355	1,272,901
Operating profit	2	192,857	515,070
Interest receivable		894	2,740
Interest payable and similar charges	5	(277)	—
Profit on ordinary activities before taxation		193,474	517,810
Tax on profit on ordinary activities	6	55,834	149,903
Profit for the financial year		137,640	367,907

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

The company has no recognised gains or losses other than the results for the year as set out above.

ABBOTSFORD CARE (GLENROTHES) LIMITED**ABBREVIATED BALANCE SHEET****31 MARCH 2014**

	Note	£	2014 £	2013 £
Fixed assets				
Intangible assets	8		1,317,581	1,400,361
Tangible assets	9		659,536	547,609
			<u>1,977,117</u>	<u>1,947,970</u>
Current assets				
Stocks	10	31,483		30,566
Debtors	11	765,793		816,426
Cash at bank		453,890		481,490
		<u>1,251,166</u>		<u>1,328,482</u>
Creditors: amounts falling due within one year	12	<u>777,565</u>		<u>951,574</u>
Net current assets			<u>473,601</u>	<u>376,908</u>
Total assets less current liabilities			<u>2,450,718</u>	<u>2,324,878</u>
Provisions for liabilities				
Deferred taxation	13		37,170	10,194
			<u>2,413,548</u>	<u>2,314,684</u>
Capital and reserves				
Called-up equity share capital	16		2,000	2,000
Profit and loss account	17		2,411,548	2,312,684
Shareholder's funds	18		<u>2,413,548</u>	<u>2,314,684</u>

These abbreviated accounts have been prepared in accordance with the special provisions of section 445(3) Companies Act 2006 in regard to medium-sized companies.

These abbreviated financial statements were approved and signed by the director and authorised for issue on 16 March 2015



Mrs K McKechnie

Company Registration Number: SC370558

ABBOTSFORD CARE (GLENROTHES) LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2014

	Note	£	2014 £	2013 £
Net cash inflow from operating activities	19		404,896	1,007,849
Returns on investments and servicing of finance	19		617	2,740
Taxation	19		(137,221)	(276,058)
Capital expenditure and financial investment	19		(257,116)	(524,455)
Equity dividends paid			(38,776)	(100,000)
(Decrease)/increase in cash	19		<u>(27,600)</u>	<u>110,076</u>

ABBOTSFORD CARE (GLENROTHES) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2014

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Going concern

The financial statements have been prepared on a going concern basis. The director has assessed the Company's ability to continue as a going concern and has reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future as disclosed in note 15. On this basis she continues to adopt the going concern basis of accounting in preparing these financial statements.

Turnover

The turnover shown in the Profit and Loss Account represents amounts receivable during the year.

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. 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.

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 - 5% Straight line per annum

Fixed assets

All fixed assets are initially recorded at cost.

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 - 20% Straight line per annum
Motor Vehicles - 25% Straight line per annum
Office Equipment - 20% Straight line per annum

Stocks

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

Pension costs

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

Deferred taxation

Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and the treatment for tax purposes. Tax deferred is accounted for in respect of all material timing differences. Deferred tax assets are only recognised to the extent that they are regarded as recoverable.

ABBOTSFORD CARE (GLENROTHES) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2014

1. Accounting policies (*continued*)

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. Operating profit

Operating profit is stated after charging:

	2014 £	2013 £
Amortisation of intangible assets	82,780	82,780
Depreciation of owned fixed assets	142,881	67,142
Loss on disposal of fixed assets	2,308	—
Auditor's remuneration		
- as auditor	5,700	—
- for other services	42,486	27,201
	<u>42,486</u>	<u>27,201</u>

3. Particulars of employees

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

	2014 No	2013 No
Number of full time staff	260	200
Number of part time staff	100	70
	<u>360</u>	<u>270</u>

The aggregate payroll costs of the above were:

	2014 £	2013 £
Wages and salaries	4,970,021	4,077,267
Social security costs	344,551	294,842
Other pension costs	40,000	250,000
	<u>5,354,572</u>	<u>4,622,109</u>

ABBOTSFORD CARE (GLENROTHES) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2014

4. Director's remuneration

The director's aggregate remuneration in respect of qualifying services were:

	2014 £	2013 £
Remuneration receivable	57,067	55,716
Value of company pension contributions to money purchase schemes	40,000	250,000
	<u>97,067</u>	<u>305,716</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2014 No	2013 No
Money purchase schemes	<u>1</u>	<u>1</u>

5. Interest payable and similar charges

	2014 £	2013 £
Interest payable on bank borrowing	<u>277</u>	<u>—</u>

6. Taxation on ordinary activities

(a) Analysis of charge in the year

	2014 £	2013 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	28,429	136,791
Over/under provision in prior year	429	(624)
Total current tax	<u>28,858</u>	<u>136,167</u>
Deferred tax:		
Origination and reversal of timing differences (note 13)		
Capital allowances	26,976	13,736
Tax on profit on ordinary activities	<u>55,834</u>	<u>149,903</u>

ABBOTSFORD CARE (GLENROTHES) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2014

6. Taxation on ordinary activities (*continued*)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2013 - 24%).

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>193,474</u>	<u>517,810</u>
Profit on ordinary activities by rate of tax	38,695	124,274
Expenses not deductible for tax purposes	16,734	21,373
Capital allowances for period in excess of depreciation	(28,306)	(14,179)
Marginal relief	-	(1,728)
Adjustments to tax charge in respect of previous periods	429	(624)
Fixed asset differences	1,306	7,051
Total current tax (note 6(a))	<u>28,858</u>	<u>136,167</u>

7. Dividends

Equity dividends

	2014 £	2013 £
Paid during the year:		
Dividends on equity shares	<u>38,776</u>	<u>100,000</u>

8. Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2013 and 31 March 2014	<u>1,655,599</u>
Amortisation	
At 1 April 2013	255,238
Charge for the year	82,780
At 31 March 2014	<u>338,018</u>
Net book value	
At 31 March 2014	<u>1,317,581</u>
At 31 March 2013	<u>1,400,361</u>

Goodwill arises on the acquisition of Abbotsford Nursing Homes on 28 February 2010 and is being amortised over twenty years. In the opinion of the director this represents a reasonable estimate over the period which the business will derive direct economic benefit.

ABBOTSFORD CARE (GLENROTHES) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2014

9. Tangible fixed assets

	Fixtures & Fittings £	Motor Vehicles £	Office Equipment £	Total £
Cost				
At 1 April 2013	632,404	13,575	25,236	671,215
Additions	228,222	26,001	2,893	257,116
Disposals	(5,830)	—	—	(5,830)
At 31 March 2014	854,796	39,576	28,129	922,501
Depreciation				
At 1 April 2013	105,025	11,750	6,831	123,606
Charge for the year	135,184	2,808	4,889	142,881
On disposals	(3,522)	—	—	(3,522)
At 31 March 2014	236,687	14,558	11,720	262,965
Net book value				
At 31 March 2014	618,109	25,018	16,409	659,536
At 31 March 2013	527,379	1,825	18,405	547,609

10. Stocks

	2014 £	2013 £
Stock	31,483	30,566

11. Debtors

	2014 £	2013 £
Trade debtors	372,045	528,274
Other debtors	282,127	275,526
Prepayments and accrued income	111,621	12,626
	765,793	816,426

12. Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	123,717	109,977
Other creditors including taxation and social security:		
Corporation tax	28,428	136,791
PAYE and social security	86,906	148,587
Other creditors	83,956	69,758
Directors current accounts	21,056	—
	344,063	465,113
Accruals and deferred income	433,502	486,461
	777,565	951,574

ABBOTSFORD CARE (GLENROTHES) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2014

13. Deferred taxation

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

	2014 £	2013 £
Provision brought forward	10,194	(3,542)
Profit and loss account movement arising during the year	26,976	13,736
Provision carried forward	<u>37,170</u>	<u>10,194</u>

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

	2014 £	2013 £
Excess of taxation allowances over depreciation on fixed assets	37,170	10,194
	<u>37,170</u>	<u>10,194</u>

14. Contingencies, going concern and subsequent events

A bond and floating charge over the assets of the company is in place in favour of the Bank of Scotland. The company has granted Bank of Scotland a cross-corporate guarantee to Abbotsford Property (Dunfermline) Limited, a related party company, for funding totalling £6,137,754 as at 31 March 2014. Subsequent to the year end the total funding increased to £7,917,375.

At the year end the company and Abbotsford Property (Dunfermline) Limited (the borrowing group) met all covenants in place with Bank of Scotland. The borrowing group is forecasting that certain of the covenants may not be met in relation to the financial statements for the year ended 31 March 2015. Subsequent to the year end, the bank has renewed Abbotsford Care (Glenrothes) Limited's overdraft facility and the borrowing group has discussed the situation with its bankers. The director of Abbotsford Care (Glenrothes) Limited has been advised that as at the date of approval of the financial statements the bank do not intend to take any action based on the forecast trading performance. The director will continue to liaise with Bank of Scotland on trading performance and covenant compliance.

15. Related party transactions

The company rents nursing homes from Abbotsford Property (Dunfermline) Limited of which Mrs K McKechnie is a director. Rents are charged to the company in line with the terms of the licence to occupy and total rent paid during the year was £466,342 (2013: £116,332). At the balance sheet date the company is owed £266,127 (2013: £161,407) from Abbotsford Property (Dunfermline) Limited. This loan is included in other debtors, there are no fixed terms for repayment and no interest terms attached. Abbotsford Property (Dunfermline) Limited is controlled by Mr A M McKechnie, husband of Mrs K McKechnie and Mrs K McKechnie is a shareholder.

During the year the company rented nursing homes from the Abbotsford Nursing Home Partnership of which Mrs K McKechnie is a partner. Rents were charged to the company in line with the lease terms and total rent paid during the period was £109,979 (2013: £161,974). At 31 March 2014 the company is owed £Nil (2013: £83,983) from the partnership.

16. Share capital

Allotted, called up and fully paid:

	2014 No	£	2013 No	£
Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>

ABBOTSFORD CARE (GLENROTHES) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2014

17. Profit and loss account

	2014	2013
	£	£
Balance brought forward	2,312,684	2,044,777
Profit for the financial year	137,640	367,907
Equity dividends	(38,776)	(100,000)
Balance carried forward	<u>2,411,548</u>	<u>2,312,684</u>

18. Reconciliation of movements in shareholder's funds

	2014	2013
	£	£
Profit for the financial year	137,640	367,907
Equity dividends	(38,776)	(100,000)
Net addition to shareholder's funds	98,864	267,907
Opening shareholder's funds	2,314,684	2,046,777
Closing shareholder's funds	<u>2,413,548</u>	<u>2,314,684</u>

19. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2014	2013
	£	£
Operating profit	192,857	515,070
Amortisation	82,780	82,780
Depreciation	142,881	67,142
Loss on disposal of fixed assets	2,308	—
Increase in stocks	(917)	(3,511)
Decrease in debtors	50,633	128,466
(Decrease)/increase in creditors	(65,646)	217,902
Net cash inflow from operating activities	<u>404,896</u>	<u>1,007,849</u>

Returns on investments and servicing of finance

	2014	2013
	£	£
Interest received	894	2,740
Interest paid	(277)	—
Net cash inflow from returns on investments and servicing of finance	<u>617</u>	<u>2,740</u>

Taxation

	2014	2013
	£	£
Taxation	<u>(137,221)</u>	<u>(276,058)</u>

Capital expenditure

	2014	2013
	£	£
Payments to acquire tangible fixed assets	<u>(257,116)</u>	<u>(524,455)</u>
Net cash outflow from capital expenditure	<u>(257,116)</u>	<u>(524,455)</u>

ABBOTSFORD CARE (GLENROTHES) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2014

19. Notes to the cash flow statement (*continued*)

Reconciliation of net cash flow to movement in net funds

	2014 £	2013 £
(Decrease)/Increase in cash in the period	(27,600)	110,076
Movement in net funds in the period	<u>(27,600)</u>	<u>110,076</u>
Net funds at 1 April 2013	481,490	371,414
Net funds at 31 March 2014	<u>453,890</u>	<u>481,490</u>

Analysis of changes in net funds

	At 1 Apr 2013 £	Cash flows £	At 31 Mar 2014 £
Net cash:			
Cash in hand and at bank	481,490	(27,600)	453,890
Net funds	<u>481,490</u>	<u>(27,600)</u>	<u>453,890</u>