

**APPLECROFT CARE HOME LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**APPLECROFT CARE HOME LIMITED**

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**COMPANY INFORMATION**

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<b>Director</b>	P Sodhi
<b>Registered number</b>	04848475
<b>Registered office</b>	Abbey Healthcare Sutherland House 70-78 West Hendon Broadway London NW9 7BT
<b>Independent auditor</b>	MHA MacIntyre Hudson Chartered Accountants Statutory Auditors New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ

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**APPLECROFT CARE HOME LIMITED**

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## APPLECROFT CARE HOME LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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#### Introduction

The director presents the strategic report and the financial statements for the year ended 31 December 2017.

#### Business review

Applecroft Care home Limited owns and operates a 75 bed care home regulated by the Care Quality Commission and remained rated as Good throughout the year.

Revenue increased in the year from £2,864,000 to £3,285,000 as a result of increased occupancy and fee rates. This translated into an increase in operating profit to £998,839 (2016: £708,000).

There were no significant post balance sheet events or significant future developments planned for the Company.

#### Principal risks and uncertainty

Management monitors risks on a weekly and monthly basis. The primary concern of the management is the quality of care. There are dedicated regional managers and Operational Directors responsible for supporting the Home in provision of high quality services.

The major financial risk to the company is the increase in its cost base, often exceeding the rate of inflation, primarily relating to the National Living Wage (which increased by a further 4.4% in April 2018).

The Company is exposed to credit risk with its customers, albeit major customers are public sector, and therefore with limited credit risk.

Pricing risk is limited to the risk associated with negotiating annual price increases.

Liquidity and cashflow risk could arise in the event of a downturn in trading. However, in this event, sister companies in the group can provide liquidity if required.

#### Financial and other key performance indicators

The key financial and operational performance indicators monitored by management include regulatory reviews, internal quality reviews, occupancy ratios, average weekly fees and cost to revenue ratios.

This report was approved by the board and signed on its behalf.

  
P Sodhi  
Director

Date: 27/09/2018

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## **APPLECROFT CARE HOME LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

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

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic report, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of 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;
- 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 to 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.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £892,275 (2016 - £579,684).

#### **Directors**

The directors who served during the year were:

P Sodhi  
P Russell (resigned 30 March 2017)

#### **Future developments**

There are no significant future developments affecting the company.

#### **Matters covered in the strategic report**

The company has chosen to include several items in the strategic report which would otherwise be required to be disclosed in the Directors' report. These include information on the exposure to price risk, credit risk, liquidity risk and cash flow risk.

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**APPLECROFT CARE HOME LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed 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 the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditor**

The auditor, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

  
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**P Sodhi**  
Director

Date: 27/09/2018

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF APPLECROFT CARE HOME LIMITED**

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**Opinion**

We have audited the financial statements of Applecroft Care Home Limited (the 'Company') for the year ended 31 December 2017, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF APPLECROFT CARE HOME LIMITED (CONTINUED)**

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inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 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.

**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



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**APPLECROFT CARE HOME LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF APPLECROFT CARE HOME LIMITED (CONTINUED)**

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**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**Use of our report**

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.



Rakesh Shaunak FCA (Senior statutory auditor)  
for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants

Statutory Auditor

New Bridge Street House

30-34 New Bridge Street

London

EC4V 6BJ

Date: 28/09/2018

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**APPLECROFT CARE HOME LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	Note	2017 £	2016 £
Turnover	4	3,284,978	2,864,327
Cost of sales		(1,899,111)	(1,765,352)
<b>Gross profit</b>		<b>1,385,867</b>	<b>1,098,975</b>
Administrative expenses		(387,028)	(390,698)
<b>Operating profit</b>	5	<b>998,839</b>	<b>708,277</b>
Interest receivable and similar income	8	62	201
Interest payable and expenses	9	(106,626)	(128,794)
<b>Profit before tax</b>		<b>892,275</b>	<b>579,684</b>
<b>Profit for the financial year</b>		<b>892,275</b>	<b>579,684</b>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£NIL).

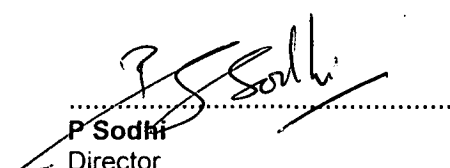
The notes on pages 11 to 21 form part of these financial statements.

**APPLECROFT CARE HOME LIMITED**  
**REGISTERED NUMBER:04848475**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	11	<b>3,733,575</b>	3,748,913
		<b>3,733,575</b>	3,748,913
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	<b>3,076,329</b>	2,899,122
Cash at bank and in hand		<b>135,283</b>	24,526
		<b>3,211,612</b>	2,923,648
Creditors: amounts falling due within one year	13	<b>(2,803,425)</b>	(3,440,020)
<b>Net current assets/(liabilities)</b>		<b>408,187</b>	(516,372)
<b>Total assets less current liabilities</b>		<b>4,141,762</b>	3,232,541
Creditors: amounts falling due after more than one year	14	<b>(4,310,180)</b>	(4,293,234)
<b>Net liabilities</b>		<b>(168,418)</b>	(1,060,693)
<b>Capital and reserves</b>			
Called up share capital	17	<b>25,200</b>	25,200
Share premium account		<b>1,163,400</b>	1,163,400
Profit and loss account		<b>(1,357,018)</b>	(2,249,293)
		<b>(168,418)</b>	(1,060,693)

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

  
**P Sodhi**  
 Director

Date:

The notes on pages 11 to 21 form part of these financial statements.

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**APPLECROFT CARE HOME LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 January 2016</b>	<b>25,200</b>	<b>1,163,400</b>	<b>(2,828,977)</b>	<b>(1,640,377)</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	579,684	579,684
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>579,684</b>	<b>579,684</b>
<b>At 1 January 2017</b>	<b>25,200</b>	<b>1,163,400</b>	<b>(2,249,293)</b>	<b>(1,060,693)</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	892,275	892,275
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>892,275</b>	<b>892,275</b>
<b>At 31 December 2017</b>	<b>25,200</b>	<b>1,163,400</b>	<b>(1,357,018)</b>	<b>(168,418)</b>

The notes on pages 11 to 21 form part of these financial statements.

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**APPLECROFT CARE HOME LIMITED**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	892,275	579,684
<b>Adjustments for:</b>		
Depreciation of tangible assets	83,843	84,956
Interest payable	84,936	128,794
Interest received	(62)	(201)
Decrease/(increase) in debtors	34,756	(44,740)
(Increase) in amounts owed by groups	(271,525)	(368,169)
(Decrease) in creditors	(72,997)	(1,511)
(Decrease) in amounts owed to groups	(475,325)	(120,188)
Corporation tax (paid)/received	(200)	-
<b>Net cash generated from operating activities</b>	<b>275,701</b>	<b>258,625</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(8,944)	(31,812)
Interest received	62	201
<b>Net cash from investing activities</b>	<b>(8,882)</b>	<b>(31,611)</b>
<b>Cash flows from financing activities</b>		
Repayment of loans	(71,126)	(102,346)
Interest paid	(84,936)	(128,794)
<b>Net cash used in financing activities</b>	<b>(156,062)</b>	<b>(231,140)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>110,757</b>	<b>(4,126)</b>
Cash and cash equivalents at beginning of year	24,526	28,652
<b>Cash and cash equivalents at the end of year</b>	<b>135,283</b>	<b>24,526</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	135,283	24,526
	<b>135,283</b>	<b>24,526</b>

The notes on pages 11 to 21 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. General information**

Applecroft Care Home Limited is a private company limited by shares incorporated in England. The address of the registered office is Sutherland House, 70-78 West Hendon Broadway, London NW9 7BT.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Going concern**

The company has made a profit for the year ended 31 December 2017 but as at that date the company has net liabilities. The controlling party has the ability to and will continue to provide financial support so that the company will be able to meet its financial obligations as and when they fall due for at least 12 months from the date of signing of these accounts. On this basis the director believes that the adoption of the going concern concept is appropriate.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. Accounting policies (continued)**

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 Leased assets: the Company as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.5 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

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

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**2. Accounting policies (continued)**

**2.6 Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.7 Borrowing costs**

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

**2.8 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.9 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- 2% reducing balance
Fixtures and fittings	- 15% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

**2.10 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. Accounting policies (continued)**

**2.11 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. 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.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**2.12 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.13 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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**APPLECROFT CARE HOME LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

No significant judgements have been made by management in preparing these financial statements.

**4. Turnover**

All turnover arose within the United Kingdom.

**5. Operating profit**

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	83,843	84,956
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	3,521	3,521
Defined contribution pension cost	11,416	-
	<u>11,416</u>	<u>-</u>

**6. Employees**

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	1,688,577	1,563,397
Social security costs	104,069	94,040
Cost of defined contribution scheme	11,416	9,577
	<u>1,804,062</u>	<u>1,667,014</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Care home staff	104	91
Management	2	1
	<u>106</u>	<u>92</u>

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**APPLECROFT CARE HOME LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**7. Directors' remuneration**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	<b>24,078</b>	23,284
	<b>24,078</b>	23,284

**8. Interest receivable**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Other interest receivable	<b>62</b>	201
	<b>62</b>	201

**9. Interest payable and similar expenses**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Bank interest payable	<b>106,452</b>	128,794
Finance leases and hire purchase contracts	<b>174</b>	-
	<b>106,626</b>	128,794

**10. Taxation**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Total current tax	-	-

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**APPLECROFT CARE HOME LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**10. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>892,275</u>	<u>579,684</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	<b>163,508</b>	115,937
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>1,206</b>	1,527
Capital allowances for year in excess of depreciation	<b>(9,585)</b>	2,756
Utilisation of tax losses	<b>(12)</b>	(96,894)
Short term timing difference leading to an increase (decrease) in taxation	<b>(137)</b>	-
Group relief	<b>(154,980)</b>	(23,326)
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

Reductions in the UK corporation tax rate to 17% (effective from 1 April 2020) may reduce the company's future tax charge accordingly.

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**APPLECROFT CARE HOME LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**11. Tangible fixed assets**

	Freehold property £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 January 2017	3,755,920	745,686	4,501,606
Additions	-	68,506	68,506
At 31 December 2017	<u>3,755,920</u>	<u>814,192</u>	<u>4,570,112</u>
<b>Depreciation</b>			
At 1 January 2017	327,975	424,719	752,694
Charge for the year on owned assets	30,996	52,847	83,843
At 31 December 2017	<u>358,971</u>	<u>477,566</u>	<u>836,537</u>
<b>Net book value</b>			
At 31 December 2017	<u>3,396,949</u>	<u>336,626</u>	<u>3,733,575</u>
At 31 December 2016	<u>3,427,945</u>	<u>320,967</u>	<u>3,748,912</u>

**12. Debtors**

	2017 £	2016 £
Trade debtors	200,308	194,878
Amounts owed by group undertakings	2,852,388	2,640,425
Prepayments and accrued income	19,495	56,990
Other debtors	4,138	6,829
	<u>3,076,329</u>	<u>2,899,122</u>

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**APPLECROFT CARE HOME LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. Creditors: Amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Bank loans	-	101,818
Trade creditors	<b>40,163</b>	139,706
Amounts owed to group undertakings	<b>2,555,612</b>	3,030,937
Corporation tax	-	200
Other taxation and social security	<b>13,345</b>	58,987
Accruals and deferred income	<b>126,933</b>	99,548
Other creditors	<b>67,372</b>	8,824
	<b><u>2,803,425</u></b>	<b><u>3,440,020</u></b>

**14. Creditors: Amounts falling due after more than one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Bank loans	-	4,293,234
Other loans	<b>4,310,180</b>	-
	<b><u>4,310,180</u></b>	<b><u>4,293,234</u></b>

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**APPLECROFT CARE HOME LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Loans**

Analysis of the maturity of loans is given below:

	2017 £	2016 £
<b>Amounts falling due within one year</b>		
Bank loans	-	101,818
	<u>-</u>	<u>101,818</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	-	4,293,234
	<u>-</u>	<u>4,293,234</u>
<b>Amounts falling due 2-5 years</b>		
Other loans	4,310,180	-
	<u>4,310,180</u>	<u>-</u>
	<u>4,310,180</u>	<u>4,395,052</u>

**16. Financial instruments**

	2017 £	2016 £
<b>Financial assets</b>		
Financial assets measured at amortised cost	3,114,306	2,863,688
	<u>3,114,306</u>	<u>2,863,688</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(7,073,682)	(7,670,505)
	<u>(7,073,682)</u>	<u>(7,670,505)</u>

Financial assets measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise loans, trade and other creditors.

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**APPLECROFT CARE HOME LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**17. Share capital**

	2017 £	2016 £
<b>Allotted, called up and fully paid</b>		
2,520,000 Ordinary shares of £0.01 each	<b>25,200</b>	25,200
	<u>25,200</u>	<u>25,200</u>

**18. Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £Nil (2016 - £9,577). Contributions totalling £1,730 (2016 - £2,443) were payable to the fund at the balance sheet date and are included in creditors.

**19. Related party transactions**

The company has taken exemption under FRS102 s33.1A from disclosing transactions with wholly owned members of the same group.

**20. Controlling party**

The company was under the control of the Trustees of the Prabhdyal Sodhi Overseas Settlement throughout the year, an entity based in Gibraltar.

The immediate parent company of Applecroft Care Home Limited is Festival Care Homes Limited. The ultimate parent company is Lansbury Limited, a company incorporated in Gibraltar.