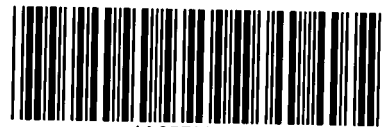


COMPANY REGISTRATION NUMBER: 03025072

PRESTIGE CARE LIMITED
Financial Statements
31st July 2016

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PRESTIGE CARE LIMITED

Financial Statements

Year ended 31st July 2016

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PRESTIGE CARE LIMITED

Officers and Professional Advisers

The board of directors	Mr S Singh Mrs B Kaur
Company secretary	Mrs M Singh
Registered office	Prestige Group Head Office Roseville Court Ingleby Barwick Stockton on Tees TS17 5BL
Auditor	Tait Walker LLP Chartered accountant & statutory auditor Medway House Fudan Way Teesdale Park Stockton-on-Tees TS17 6EN
Bankers	National Westminster Bank plc 106 Linthorpe Road Middlesbrough TS1 2JX Handelsbanken Winder House Kingfisher Way Stockton on Tees TS18 3EX

PRESTIGE CARE LIMITED

Strategic Report

Year ended 31st July 2016

The principal activities of the group during the year were operating a nursing home and also management of its freehold property and development property.

Business review

The group has reported a pre-tax loss of £84,290. It is noted that substantial non cash flow expenses are included in this figure and accounted for in accordance with GAAP, namely a standard £124,853 depreciation charge on its nursing home freehold property.

During the year the group had taken steps to improve the underlying operational finance performance and strategic changes implemented at the group's nursing home operation mean the home is now operating profitably. The group, including its former subsidiary company Prestige Properties (North East) Limited, had participated in the FCA led review into mis-selling of interest rate protection products. All claims are now concluded and the redress payments, including any consequential loss claims, have been recorded in the current and previous year profit and loss figures.

On 3rd November 2015 the group disposed of Prestige Properties (North East) Limited. The results of this company up to the date of disposal are shown as discontinued operations.

Future developments

There are no significant future developments to report.

Principal risks and uncertainties

The group is not aware of any material risks that are likely to affect it.

The group continues to strive to meet its relevant regulatory requirements in respect of its nursing home business activity.

This report was approved by the board of directors on 27th April 2017 and signed on behalf of the board by:



Mr S Singh
Director

PRESTIGE CARE LIMITED

Directors' Report

Year ended 31st July 2016

The directors present their report and the financial statements of the group for the year ended 31st July 2016.

Directors

The directors who served the company during the year were as follows:

Mr S Singh
Mrs B Kaur

Dividends

The directors do not recommend the payment of a dividend.

Financial risk management objectives and policies

The group's operations expose it to a variety of financial risks that include liquidity risk, interest rate risk and credit risk.

Liquidity risk

Liquidity risk is the risk that the group does not have sufficient liquid assets to meet its obligations as they fall due. Liquidity is maintained at a prudent level and the group ensures there is an adequate liquidity buffer to cover contingencies. The group maintains sufficient cash and open committed credit lines from lenders to meet its funding requirements.

Interest rate risk

Interest rate risk for unfavourable movements in interest rates is not perceived as being material to the accounts due to borrowing agreements in place.

Credit risk

Credit risk is the risk of loss in the value of the financial assets due to counterparties failing to meet all or part of their obligations. The group performs on-going credit evaluation on its customers' financial condition.

Principal activities

The principal activities of the group during the year were operating a nursing home and also management of its freehold property and development property.

Disclosure of information in the strategic report

See disclosures within the strategic report regarding principal risks and uncertainties and future developments.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

PRESTIGE CARE LIMITED

Directors' Report *(continued)*

Year ended 31st July 2016

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 group and the company and the profit or loss of the group for that period.

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

- select suitable accounting policies 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 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.

Auditor

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

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have 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 group and the company's auditor is aware of that information.

A resolution to reappoint Tait Walker LLP as auditors will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board of directors on 27th April 2017 and signed on behalf of the board by:



Mr S Singh
Director

PRESTIGE CARE LIMITED

Independent Auditor's Report to the Members of Prestige Care Limited

Year ended 31st July 2016

We have audited the financial statements of Prestige Care Limited for the year ended 31st July 2016, on pages 7 to 29. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, 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 strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31st July 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

PRESTIGE CARE LIMITED

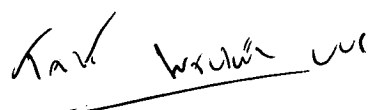
Independent Auditor's Report to the Members of Prestige Care Limited *(continued)*

Year ended 31st July 2016

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.



Christopher Potter BA(Hons) ACA (Senior Statutory Auditor)

For and on behalf of
Tait Walker LLP
Chartered accountant & statutory auditor
Medway House
Fudan Way
Teesdale Park
Stockton-on-Tees
TS17 6EN

27th April 2017

PRESTIGE CARE LIMITED

Consolidated Statement of Comprehensive Income

Year ended 31st July 2016

	2016	2015
	£	£
Loss for the financial year	(96,601)	(450,661)
Revaluation of tangible assets	–	(278,221)
Deferred tax movement relating to revalued tangible assets	78,635	86,871
Other comprehensive income for the year	78,635	(191,350)
Total comprehensive income for the year	<u>(17,966)</u>	<u>(642,011)</u>

The notes on pages 14 to 29 form part of these financial statements.

PRESTIGE CARE LIMITED

Consolidated Statement of Financial Position

31st July 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	12	5,441,332	7,101,607
Current assets			
Stocks	14	–	2,515,200
Debtors: due within one year	15	685,187	263,241
Debtors: due after more than one year	15	1,598,152	1,554,952
Cash at bank and in hand		56,715	58,967
		<u>2,340,054</u>	<u>4,392,360</u>
Creditors: amounts falling due within one year	17	<u>1,227,302</u>	<u>2,426,909</u>
Net current assets		<u>1,112,752</u>	<u>1,965,451</u>
Total assets less current liabilities		<u>6,554,084</u>	<u>9,067,058</u>
Creditors: amounts falling due after more than one year	18	4,546,614	6,954,415
Provisions	19	441,040	528,247
Net assets		<u>1,566,430</u>	<u>1,584,396</u>
Capital and reserves			
Called up share capital	22	10	10
Revaluation reserve	23	2,913,345	2,913,760
Profit and loss account	23	(1,346,925)	(1,329,374)
Members funds		<u>1,566,430</u>	<u>1,584,396</u>

These financial statements were approved by the board of directors and authorised for issue on 27th April 2017, and are signed on behalf of the board by:



Mr S Singh
Director

Company registration number: 03025072

The notes on pages 14 to 29 form part of these financial statements.

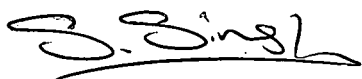
PRESTIGE CARE LIMITED

Company Statement of Financial Position

31st July 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	12	5,441,332	5,601,607
Investments	13	2	3
		<u>5,441,334</u>	<u>5,601,610</u>
Current assets			
Debtors: due within one year	15	685,079	658,352
Debtors: due after more than one year	15	1,598,152	1,554,952
Cash at bank and in hand		56,658	19,316
		<u>2,339,889</u>	<u>2,232,620</u>
Creditors: amounts falling due within one year	17	<u>718,800</u>	<u>571,394</u>
Net current assets		<u>1,621,089</u>	<u>1,661,226</u>
Total assets less current liabilities		<u>7,062,423</u>	<u>7,262,836</u>
Creditors: amounts falling due after more than one year	18	4,546,614	4,693,087
Provisions	19	<u>441,040</u>	<u>528,247</u>
Net assets		<u>2,074,769</u>	<u>2,041,502</u>
Capital and reserves			
Called up share capital	22	10	10
Revaluation reserve	23	2,913,345	2,913,760
Profit and loss account	23	(838,586)	(872,268)
Members funds		<u>2,074,769</u>	<u>2,041,502</u>

These financial statements were approved by the board of directors and authorised for issue on 27th April 2017, and are signed on behalf of the board by:



Mr S Singh
Director

Company registration number: 03025072

The notes on pages 14 to 29 form part of these financial statements.

PRESTIGE CARE LIMITED

Consolidated Statement of Changes in Equity

Year ended 31st July 2016

	Note	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1st August 2014		10	3,184,160	(957,763)	2,226,407
Loss for the year				(450,661)	(450,661)
Other comprehensive income for the year:					
Revaluation of tangible assets	12	-	(278,221)	-	(278,221)
Reclassification from revaluation reserve to profit and loss account		-	(79,050)	79,050	-
Deferred tax movement relating to revalued tangible assets		-	86,871	-	86,871
Total comprehensive income for the year		-	(270,400)	(371,611)	(642,011)
At 31st July 2015		10	2,913,760	(1,329,374)	1,584,396
Loss for the year				(96,601)	(96,601)
Other comprehensive income for the year:					
Reclassification from revaluation reserve to profit and loss account		-	(79,050)	79,050	-
Deferred tax movement relating to revalued tangible assets		-	78,635	-	78,635
Total comprehensive income for the year		-	(415)	(17,551)	(17,966)
At 31st July 2016		10	2,913,345	(1,346,925)	1,566,430

The notes on pages 14 to 29 form part of these financial statements.

PRESTIGE CARE LIMITED

Company Statement of Changes in Equity

Year ended 31st July 2016

	Note	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1st August 2014		10	3,184,160	987,278	4,171,448
Loss for the year				(1,938,596)	(1,938,596)
Other comprehensive income for the year:					
Revaluation of tangible assets	12	-	(278,221)	-	(278,221)
Reclassification from revaluation reserve to profit and loss account		-	(79,050)	79,050	-
Deferred tax movement relating to revalued tangible assets		-	86,871	-	86,871
Total comprehensive income for the year		-	(270,400)	(1,859,546)	(2,129,946)
At 31st July 2015		10	2,913,760	(872,268)	2,041,502
Loss for the year				(45,368)	(45,368)
Other comprehensive income for the year:					
Reclassification from revaluation reserve to profit and loss account		-	(79,050)	79,050	-
Deferred tax movement relating to revalued tangible assets		-	78,635	-	78,635
Total comprehensive income for the year		-	(415)	33,682	33,267
At 31st July 2016		10	2,913,345	(838,586)	2,074,769

The notes on pages 14 to 29 form part of these financial statements.

PRESTIGE CARE LIMITED

Consolidated Statement of Cash Flows

Year ended 31st July 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Loss for the financial year		(96,601)	(450,661)
<i>Adjustments for:</i>			
Depreciation of tangible assets		155,330	155,150
Interest payable and similar charges		342,627	518,221
Loss on disposal of tangible assets		3,905	7,404
Loss on impairment or disposal of operations		808,081	–
Tax on loss on ordinary activities		12,311	(39,209)
<i>Changes in:</i>			
Trade and other debtors		(38,471)	(10,581)
Trade and other creditors		(146,801)	99,130
Cash generated from operations		<u>1,040,381</u>	<u>279,454</u>
Interest paid		(342,627)	(518,221)
Tax received/(paid)		54,746	(208,511)
Net cash from/(used in) operating activities		<u>752,500</u>	<u>(447,278)</u>
Cash flows from investing activities			
Purchase of tangible assets		(8,960)	(292,990)
Proceeds from sale of tangible assets		10,000	2,625,000
Other investing cash flow adjustment		15,720	–
Net cash (used in)/from investing activities		<u>16,760</u>	<u>2,332,010</u>
Cash flows from financing activities			
Proceeds from borrowings		71,756	–
Repayments of borrowings		–	(2,665,844)
Loans (to)/from related companies		(443,611)	597,494
Net cash used in financing activities		<u>(371,855)</u>	<u>(2,068,350)</u>
Net decrease in cash and cash equivalents		397,405	(183,618)
Cash and cash equivalents at beginning of year		(340,690)	(157,072)
Cash and cash equivalents at end of year	16	<u>56,715</u>	<u>(340,690)</u>

The notes on pages 14 to 29 form part of these financial statements.

PRESTIGE CARE LIMITED

Notes to the Financial Statements

Year ended 31st July 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Prestige Group Head Office, Roseville Court, Ingleby Barwick, Stockton on Tees, TS17 5BL.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and applicable legislation as set out in the Companies Act 2006 and Schedule I of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The group has elected to use the previous UK GAAP valuation of land and buildings as deemed cost on transition to FRS102.

The financial statements are presented in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1st August 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 26.

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (e) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of Prestige Care Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

PRESTIGE CARE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31st July 2016

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Carrying value of tangible fixed assets

Assessing whether tangible fixed assets may be impaired requires a review for indicators of impairment and, where such indications exist, an estimate of the asset's recoverable amount by reference to value in use. Management are required to exercise significant judgement in reviewing for and identifying asset indicators of impairment and subsequently calculating value in use.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

No significant accounting estimates have been made in preparing the financial statements.

Revenue recognition

Turnover represents the value of services provided during the year net of discounts and Value Added Tax. For services provided, turnover is recognised to the extent that and when there is a right to consideration.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

PRESTIGE CARE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31st July 2016

3. Accounting policies *(continued)*

Income tax *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible fixed assets are stated at cost (or deemed cost) less depreciation and any provision for impairment.

Depreciation

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

Investment Property	-	Not depreciated
Freehold Property	-	50 years straight line
Fixtures and Fittings	-	3 to 5 years straight line
Motor Vehicles	-	25% reducing balance
Office Equipment	-	3 years straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

PRESTIGE CARE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31st July 2016

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

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.

4. Turnover

Turnover arises from:

	2016	2015
	£	£
Nursing home operations	<u>1,317,918</u>	<u>1,575,590</u>

PRESTIGE CARE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31st July 2016

5. Operating profit

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Depreciation of tangible assets	155,329	155,151
Loss on disposal of tangible assets	3,905	7,404
Impairment of trade debtors	-	(408)
	<u> </u>	<u> </u>

6. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	12,580	12,410
	<u> </u>	<u> </u>

7. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2016	2015
	No.	No.
Management staff	3	6
Number of care staff	73	97
	<u> </u>	<u> </u>
	76	103
	<u> </u>	<u> </u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016	2015
	£	£
Wages and salaries	916,049	1,205,768
Social security costs	51,542	63,660
	<u> </u>	<u> </u>
	967,591	1,269,428
	<u> </u>	<u> </u>

8. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2016	2015
	£	£
Remuneration	-	632
	<u> </u>	<u> </u>

PRESTIGE CARE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31st July 2016

9. Interest payable and similar charges

	2016 £	2015 £
Interest on banks loans and overdrafts	(29,129)	207,345
Other interest payable and similar charges	371,756	310,876
	<u>342,627</u>	<u>518,221</u>

10. Tax on loss on ordinary activities

Major components of tax expense/(income)

	2016 £	2015 £
Current tax:		
UK current tax expense	21,254	-
Adjustments in respect of prior periods	(371)	(54,459)
Total current tax	<u>20,883</u>	<u>(54,459)</u>
Deferred tax:		
Origination and reversal of timing differences	(8,572)	15,250
Tax on loss on ordinary activities	<u>12,311</u>	<u>(39,209)</u>

Tax recognised as other comprehensive income or equity

Tax recognised as other comprehensive income relates to the reversal of a deferred tax liability recognised on the revaluation of certain tangible fixed assets. The aggregate amount recognised in the year was £78,635 (2015: £86,871).

Reconciliation of tax expense/(income)

The tax assessed on the loss on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 102.68%).

	2016 £	2015 £
Loss on ordinary activities before taxation	(84,290)	(489,870)
Loss on ordinary activities by rate of tax	(16,857)	(91,723)
Adjustment to tax charge in respect of prior periods	(371)	(54,459)
Effect of expenses not deductible for tax purposes	187,819	26,853
Effect of different UK tax rates on some earnings	(6,599)	-
Utilisation of tax losses	-	48,552
Income not taxable	(154,470)	(67,635)
Deferred tax asset not recognised	2,789	99,203
Tax on loss on ordinary activities	<u>12,311</u>	<u>(39,209)</u>

PRESTIGE CARE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31st July 2016

11. Loss for the year of the parent company

The loss for the financial year of the parent company was £45,368 (2015: £1,938,596).

12. Tangible assets

Group	Investment property £	Freehold property £	Fixtures and fittings £	Motor vehicles £	Other Assets £	Total £
Cost						
At 1 Aug 2015	1,500,000	6,242,670	133,122	25,806	3,879	7,905,477
Additions	-	-	8,960	-	-	8,960
Disposals	-	-	-	(25,806)	-	(25,806)
Disposals through business combinations	(1,500,000)	-	-	-	-	(1,500,000)
At 31 Jul 2016	<u>-</u>	<u>6,242,670</u>	<u>142,082</u>	<u>-</u>	<u>3,879</u>	<u>6,388,631</u>
Depreciation						
At 1 Aug 2015	-	742,670	48,869	9,120	3,211	803,870
Charge for the year	-	124,853	27,413	2,781	283	155,330
Disposals	-	-	-	(11,901)	-	(11,901)
At 31 Jul 2016	<u>-</u>	<u>867,523</u>	<u>76,282</u>	<u>-</u>	<u>3,494</u>	<u>947,299</u>
Carrying amount						
At 31 Jul 2016	<u>-</u>	<u>5,375,147</u>	<u>65,800</u>	<u>-</u>	<u>385</u>	<u>5,441,332</u>
At 31 Jul 2015	<u>1,500,000</u>	<u>5,500,000</u>	<u>84,253</u>	<u>16,686</u>	<u>668</u>	<u>7,101,607</u>

PRESTIGE CARE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31st July 2016

12. Tangible assets *(continued)*

Company	Freehold property £	Fixtures and fittings £	Motor vehicles £	Other Assets £	Total £
Cost					
At 1 August 2015	6,242,670	133,122	25,806	3,879	6,405,477
Additions	–	8,960	–	–	8,960
Disposals	–	–	(25,806)	–	(25,806)
At 31 July 2016	<u>6,242,670</u>	<u>142,082</u>	<u>–</u>	<u>3,879</u>	<u>6,388,631</u>
Depreciation					
At 1 August 2015	742,670	48,869	9,120	3,211	803,870
Charge for the year	124,853	27,413	2,781	283	155,330
Disposals	–	–	(11,901)	–	(11,901)
At 31 July 2016	<u>867,523</u>	<u>76,282</u>	<u>–</u>	<u>3,494</u>	<u>947,299</u>
Carrying amount					
At 31 July 2016	<u>5,375,147</u>	<u>65,800</u>	<u>–</u>	<u>385</u>	<u>5,441,332</u>
At 31 July 2015	<u>5,500,000</u>	<u>84,253</u>	<u>16,686</u>	<u>668</u>	<u>5,601,607</u>

Tangible assets held at valuation

The company has elected to use the previous UK GAAP valuation of land and buildings as deemed cost on transition to FRS 102. The company's freehold property was valued on an open market value with existing use basis by Savills Commercial Limited during July 2011.

PRESTIGE CARE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31st July 2016

12. Tangible assets *(continued)*

In respect of tangible assets held at valuation, aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

Group and company	Investment property £
At 31st July 2016	
Aggregate cost	2,290,166
Aggregate depreciation	215,327
Carrying value	<u>2,505,493</u>
At 31st July 2015	
Aggregate cost	2,290,166
Aggregate depreciation	169,524
Carrying value	<u>2,459,690</u>

13. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1st August 2015	1,500,004
Disposals	(1,500,002)
At 31st July 2016	<u>2</u>
Impairment	
At 1st August 2015	1,500,001
Disposals	(1,500,001)
At 31st July 2016	<u>-</u>
Carrying amount	
At 31st July 2016	<u>2</u>
At 31st July 2015	<u>3</u>

PRESTIGE CARE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31st July 2016

13. Investments *(continued)*

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Country of incorporation	Class of share	Percentage of shares held
Subsidiary undertakings			
Prestige Leisure (North East) Limited	England and Wales	Ordinary	100

Prestige Properties (North East) Limited was a 100% owned subsidiary and was disposed of on 3rd November 2015.

14. Stocks

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Raw materials and consumables	<u>-</u>	<u>2,515,200</u>	<u>-</u>	<u>-</u>

15. Debtors

Debtors falling due within one year are as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	198,080	209,325	198,080	209,325
Amounts owed by group undertakings	-	-	-	400,000
Prepayments and accrued income	18,346	11,261	18,346	5,840
Corporation tax repayable	-	-	-	22,052
Other debtors	468,761	42,655	468,653	21,135
	<u>685,187</u>	<u>263,241</u>	<u>685,079</u>	<u>658,352</u>

Debtors falling due after one year are as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Other debtors	<u>1,598,152</u>	<u>1,554,952</u>	<u>1,598,152</u>	<u>1,554,952</u>

An impairment loss of £nil (2015: £408) was recognised during the year against trade debtors.

PRESTIGE CARE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31st July 2016

16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2016	2015
	£	£
Cash at bank and in hand	56,715	58,967
Bank overdrafts	–	(399,657)
	<u>56,715</u>	<u>(340,690)</u>

17. Creditors: amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts	–	1,214,911	–	–
Trade creditors	40,076	54,317	28,015	41,589
Amounts owed to group undertakings	–	–	8,400	–
Accruals and deferred income	600,719	542,603	599,623	499,245
Corporation tax	538,607	462,978	49,862	–
Social security and other taxes	7,374	13,436	7,374	13,436
Director loan accounts	5,039	3,529	5,039	3,529
Other creditors	35,487	135,135	20,487	13,595
	<u>1,227,302</u>	<u>2,426,909</u>	<u>718,800</u>	<u>571,394</u>

The group's bank loans are secured by a debenture and legal charge over its freehold property.

18. Creditors: amounts falling due after more than one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts	4,546,614	6,716,815	4,546,614	4,455,487
Other creditors	–	237,600	–	237,600
	<u>4,546,614</u>	<u>6,954,415</u>	<u>4,546,614</u>	<u>4,693,087</u>

Included within creditors: amounts falling due after more than one year is an amount of £3,655,180 (2015: £3,727,592) for the group and £3,655,180 (2015: £3,727,592) for the company in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The group's bank loans are repayable at variable rates linked to LIBOR and Base Rate.

PRESTIGE CARE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31st July 2016

19. Provisions

Group and company	Deferred tax (note 20) £
At 1st August 2015	528,247
Charge against provision	(8,572)
Movement relating to unrealised gains on revaluation of tangible assets	(78,635)
At 31st July 2016	<u>441,040</u>

20. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Included in provisions (note 19)	<u>441,040</u>	<u>528,247</u>	<u>441,040</u>	<u>528,247</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Accelerated capital allowances	62,177	70,749	62,177	70,749
Revaluation of tangible assets	<u>378,863</u>	<u>457,498</u>	<u>378,863</u>	<u>457,498</u>
	<u>441,040</u>	<u>528,247</u>	<u>441,040</u>	<u>528,247</u>

21. Financial instruments

The carrying amount for each category of financial instrument is as follows:

Financial assets that are debt instruments measured at amortised cost

	Group	
	2016 £	2015 £
Financial assets that are debt instruments measured at amortised cost	<u>2,321,708</u>	<u>1,865,899</u>

Financial liabilities measured at amortised cost

	Group	
	2016 £	2015 £
Financial liabilities measured at amortised cost	<u>4,634,614</u>	<u>7,160,832</u>

PRESTIGE CARE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31st July 2016

21. Financial instruments *(continued)*

Financial assets measured at amortised cost comprise cash at bank and in hand, accrued income, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, corporation tax, other taxation and social security and other creditors.

22. Called up share capital

Authorised share capital

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>

23. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

24. Directors' advances, credits and guarantees

At the start of the year the company owed Mr S Singh the sum of £3,529 in respect of his Directors' current account. During the year further sums totalling £27,015 were drawn and repayments totalling £28,524 were made. The maximum overdrawn during the year was £12,538. At the year end the company owed the sum of £5,039 to Mr S Singh. The Directors' current account is interest free and repayable on demand.

On 3rd November 2015 the entire share capital of Prestige Properties (North East) Limited was purchased by Mr S Singh.

PRESTIGE CARE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31st July 2016

25. Related party transactions

Company

At the year end the group was owed £1,849 (2015: £8,023) by Prestige Care (Humberside) Limited. At the year end the group owed £15,000 (2015: £15,000) to Prestige Care (Humberside) Limited. During the year the group paid expenses to the value of £2,629 (2015: £28,498) on behalf of Prestige Care (Humberside) Limited. During the year Prestige Care (Humberside) Limited paid expenses to the value of £12,500 (2015: £15,448) on behalf of the group. Until 6th October 2015 Prestige Care (Humberside) Limited was jointly controlled by Mr S Singh and Mrs B Kaur.

At the year end creditors includes £8,533 (2015: (£6,105)) due to Prestige Estates (North East) Limited. During the year the group paid expenses to the value of £29,623 (2015: £43,974) on behalf of Prestige Estates (North East) Limited, there were also transfers of £29,472 (2015: £45,109) to Prestige Estates (North East) Limited. During the year Prestige Estates (North East) Limited paid expenses to the value of £8,143 (2015: £27,190) on behalf of the group, there were also transfers of £1,248 (2015: £255,842) from Prestige Estates (North East) Limited. Prestige Estates (North East) Limited is controlled by Mr S Singh.

During the year the group purchased services to the value of £5,221 (2015: £2,500) from P&R Construction Limited. At the year end the group owed the sum of £80,393 (2015: £85,614) to P&R Construction Limited. P&R Construction Limited is controlled by Mr S Singh.

At the year end debtors includes £32,473 (2015: £1,062) due from Prestige Care (Redcar SM) Limited. During the year it paid expenses to the value of £48,539 on behalf of Prestige Care (Redcar SM) Limited and Prestige Care (Redcar SM) Limited paid expenses to the value of £15,004 on behalf of the group. Prestige Care (Redcar SM) Limited is controlled by Mrs B Kaur.

During the year the group paid expenses to the value of £nil (2015: £5,000) on behalf of Prestige Care (Redcar WF) Limited. Prestige Care (Redcar WF) Limited is controlled by Mrs B Kaur.

During the year, the group made transfers of £917 (2015: £1,400,420) to MS Investments (IB) Limited. During the year, the group received transfers of £917 (2015: £1,400,420) from MS Investments (IB) Limited. MS Investments (IB) Limited is controlled by Mr S Singh.

At the year end debtors includes £1,598,152 (2015: £1,554,952) due from Starline Holdings Limited. During the year, the group made transfers of £60,000 (2015: £1,881,452) to Starline Holdings Limited. During the year, the group received transfers of £16,800 (2015: £326,500) from Starline Holdings Limited. Starline Holdings Limited is controlled by Mr S Singh.

At the year end debtors includes £365,393 (2015: £nil) due from Prestige (Fir Tree) Limited. During the year the group paid expenses to the value of £365,939 (2015: £nil) on behalf of Prestige (Fir Tree) Limited. Prestige (Fir Tree) Limited is controlled by Mr S Singh.

During the year the group paid expenses to the value of £13,232 (2015: £nil) on behalf of R&P Investments (Fir Tree) Limited. During the year, the group received transfers of £13,232 (2015: £nil) from R&P Investments (Fir Tree) Limited. R&P Investments (Fir Tree) Limited is controlled by Mr S Singh.

At the year end debtors includes £1,046 (2015: £nil) due from Leven Stables Limited. During the year Leven Stables Limited paid expenses to the value of £3,954 (2015: £nil) on behalf of the group. During the year, the group made transfers of £5,000 (2015: £nil) to Leven Stables Limited. Leven Stables Limited is controlled by Mr S Singh.

PRESTIGE CARE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31st July 2016

During the year, the group made transfers of £90,000 (2015: £nil) to West Acres Park Limited. During the year, the group received transfers of £90,000 (2015: £nil) from West Acres Park Limited. West Acres Park Limited is controlled by Mr S Singh.

During the year the group paid expenses to the value of £450 (2015: £nil) on behalf of Prestige Properties (North East) Holdings Limited. This remained outstanding at the year end and is included in debtors. Prestige Properties (North East) Holdings Limited is controlled by Mr S Singh.

26. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The group and the company transitioned to FRS 102 on 1st August 2014.

Reconciliation of equity

Group	1st August 2014			31st July 2015		
	As previously stated £	Effect of FRS 102 (as transition £	restated) £	As previously stated £	Effect of FRS 102 (as transition £	restated) £
Fixed assets	12,389,592	–	12,389,592	7,101,607	–	7,101,607
Current assets	2,496,561	–	2,496,561	4,392,360	–	4,392,360
Creditors: amounts falling due within one year	(5,160,792)	–	(5,160,792)	(2,426,909)	–	(2,426,909)
Net current assets	<u>(2,664,231)</u>	–	<u>(2,664,231)</u>	<u>1,965,451</u>	–	<u>1,965,451</u>
Total assets less current liabilities	9,725,361	–	9,725,361	9,067,058	–	9,067,058
Creditors: amounts falling due after more than one year	(6,899,086)	–	(6,899,086)	(6,954,415)	–	(6,954,415)
Provisions	(55,499)	(544,369)	(599,868)	(70,749)	(457,498)	(528,247)
Net assets	<u>2,770,776</u>	<u>(544,369)</u>	<u>2,226,407</u>	<u>2,041,894</u>	<u>(457,498)</u>	<u>1,584,396</u>
Capital and reserves	<u>2,770,776</u>	<u>(544,369)</u>	<u>2,226,407</u>	<u>2,041,894</u>	<u>(457,498)</u>	<u>1,584,396</u>

PRESTIGE CARE LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31st July 2016

26. Transition to FRS 102 *(continued)*

Reconciliation of equity

Company	1st August 2014			31st July 2015		
	As previously stated £	Effect of FRS 102 (as transition £	(as restated) £	As previously stated £	Effect of FRS 102 (as transition £	(as restated) £
Fixed assets	6,067,427	-	6,067,427	5,601,610	-	5,601,610
Current assets	4,138,026	-	4,138,026	2,232,620	-	2,232,620
Creditors: amounts falling due within one year	(729,189)	-	(729,189)	(571,394)	-	(571,394)
Net current assets	<u>3,408,837</u>	-	<u>3,408,837</u>	<u>1,661,226</u>	-	<u>1,661,226</u>
Total assets less current liabilities	9,476,264	-	9,476,264	7,262,836	-	7,262,836
Creditors: amounts falling due after more than one year	(4,693,141)	-	(4,693,141)	(4,693,087)	-	(4,693,087)
Provisions	(67,306)	(544,369)	(611,675)	(70,749)	(457,498)	(528,247)
Net assets	<u>4,715,817</u>	<u>(544,369)</u>	<u>4,171,448</u>	<u>2,499,000</u>	<u>(457,498)</u>	<u>2,041,502</u>
Capital and reserves	<u>4,715,817</u>	<u>(544,369)</u>	<u>4,171,448</u>	<u>2,499,000</u>	<u>(457,498)</u>	<u>2,041,502</u>

Reconciliation of profit or loss for the year

No transitional adjustments were required.

On transition to FRS 102 the company has recognised a deferred tax liability in relation to the potential capital gain arising on the revaluation of its land and buildings. Previous UK GAAP prohibited the recognition of such liabilities unless there was a commitment to sell the asset.

27. Ultimate controlling party

The directors consider that the group has no ultimate controlling party