

# Loughton Care Centre Limited

Report and Financial Statements

Period Ended

31 December 2016

Company Number 07861667

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# Loughton Care Centre Limited

## Company Information

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<b>Directors</b>	H Atkar S Pereira
<b>Registered number</b>	07861667
<b>Registered office</b>	Regal House Royal Crescent Ilford Essex IG2 7JY
<b>Independent auditors</b>	BDO LLP 55 Baker Street London W1U 7EU

# Loughton Care Centre Limited

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# Loughton Care Centre Limited

## Strategic report For the Period Ended 31 December 2016

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### Introduction

The directors present the strategic report and financial statements for the period 1 March 2016 to 31 December 2016.

### Business review

These results include a 10 month trading period for the home which operates in the residential, nursing and specialist elderly care market sector. The company will continue to consolidate its position and concentrate its efforts on achieving growth. Whilst we aim to improve efficiency in all areas of our operations we are driven to providing our residents with high quality person centred care and this remains our top priority.

### Principal risks and uncertainties

#### Regulation compliance

One of the biggest risks to the business is to operate within the sector's regulations and compliance regime. The directors monitor the running of the care homes and monitor any changes in the regulations. They also ensure that qualified and experienced personnel are employed and that staff are continuously trained to provide quality care and services to residents.

#### Treasury operations and financial instruments

The primary financial instruments are intercompany loans, deposits, debtors and trade creditors. These arise directly from the company's trading operations and shareholder's support. Together with other group companies, the company cross guarantees the bank borrowings of fellow subsidiary undertakings.

#### Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

#### Credit risk

The principal financial assets are bank balances and cash, which represent the company's maximum exposure to credit risk in relation to financial assets.

### Financial key performance indicators

The board monitors the progress of the company by reference to the following KPIs:

- Turnover
- Operating profit

Turnover for the period ended 31 December 2016 was £3,903,000. The operating profit for the period ended 31 December 2016 was £1,266,000.

Results for the year are shown in the Statement of Comprehensive Income on page 7.

This report was approved by the board on *11<sup>th</sup> August 2017* and signed on its behalf.

  
.....  
S Pereira  
Director

# Loughton Care Centre Limited

## Directors' report For the Period Ended 31 December 2016

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On 21 July 2016 the company changed its accounting reference date to 31 December 2016 to ensure all companies within the group have coterminous year ends.

The directors present their report and the financial statements for the 10 month period ended 31 December 2016.

### Principal activity

The principal activity of the company continued to be that of operating a care home.

### Results and dividends

The profit for the period, after taxation, amounted to £887,000 (2016 - £309,000).

### Directors

The directors who served during the period were:

H Atkar (appointed 11 May 2015)  
K Gill (appointed 18 July 2016, resigned 1 December 2016)  
S Atkar (resigned 30 June 2016)  
R Turner (resigned 20 July 2016)  
Mrs B Hayes (resigned 20 July 2016)  
S Pereira (appointed 1 December 2016)

### Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. In addition the Company has received an undertaking from its parent company that no amounts owed by the Company will be called for repayment for a period of at least 12 months from the date of approval of these financial statements unless the Company is in a position to make payments without adversely affecting its ability to continue to trade and settle any future obligations. Therefore the financial statements have been prepared on a going concern basis.

### Future developments

The directors will maintain investment in Loughton Care Centre Limited to ensure best in class provision of care in a high quality safe environment.

### Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

### Post balance sheet events

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

# Loughton Care Centre Limited

Directors' report (continued)  
For the Period Ended 31 December 2016

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## Auditors

BDO LLP were appointed as auditors during the period and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

This report was approved by the board on *11<sup>th</sup> August 2017* and signed on its behalf.

  
.....  
S Pereira  
Director

# Loughton Care Centre Limited

## Directors' responsibilities statement For the Period Ended 31 December 2016

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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). 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 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 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.

# Loughton Care Centre Limited

## Independent auditors' report to the shareholders of Loughton Care Centre Limited

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We have audited the financial statements of Loughton Care Centre Limited for the period ended 31 December 2016, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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 Auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the period 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, based on the work undertaken in the course of the audit:

- the information given in the strategic and directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic and directors' report have been prepared in accordance with applicable legal requirements.

### Other matter

The corresponding figures for the year ended 29 February 2016 are unaudited.



# Loughton Care Centre Limited

## Independent auditors' report to the shareholders of Loughton Care Centre Limited (continued)

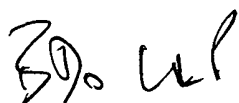
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### Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and 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.



**Richard Levy** (Senior statutory auditor)  
for and on behalf of BDO LLP statutory auditor  
London  
United Kingdom  
11 AUG 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Loughton Care Centre Limited

## Statement of comprehensive income For the Period Ended 31 December 2016

	Note	10 months ended 31 December 2016 £000	Unaudited Year ended 29 February 2016 £000
Turnover	4	3,903	2,826
Cost of sales		(2,172)	(1,651)
<b>Gross profit</b>		<u>1,731</u>	<u>1,175</u>
Administrative expenses		(465)	(475)
<b>Operating profit</b>	5	<u>1,266</u>	<u>700</u>
Interest receivable	7	10	1
Interest payable and expenses	8	(359)	(392)
<b>Profit before taxation for the financial period</b>		<u>917</u>	<u>309</u>
Taxation on profit	9	(30)	-
<b>Profit and total comprehensive income on ordinary activities for the financial period</b>		<u>887</u>	<u>309</u>
<b>Other comprehensive income for the period</b>			
Deferred tax movement		-	(71)
<b>Other comprehensive income for the period</b>		-	(71)
<b>Total comprehensive income for the period</b>		<u>887</u>	<u>238</u>

The notes on pages 10 to 23 form part of these financial statements.

# Loughton Care Centre Limited


Registered number: 07861667

## Statement of financial position As at 31 December 2016

	Note	31 December 2016 £000	31 December 2016 £000	Unaudited 29 February 2016 £000	Unaudited 29 February 2016 £000
<b>Fixed assets</b>					
Tangible assets	10		8,985		8,978
<b>Current assets</b>					
Debtors: amounts falling due within one year	11	654		157	
Cash at bank and in hand		78		300	
		<u>732</u>		<u>457</u>	
Creditors: amounts falling due within one year	12	(7,503)		(1,333)	
<b>Net current liabilities</b>			<b>(6,771)</b>		<b>(876)</b>
<b>Total assets less current liabilities</b>			<b>2,214</b>		<b>8,102</b>
Creditors: amounts falling due after more than one year	13		-		(6,783)
<b>Provisions for liabilities</b>					
Deferred tax	16		(79)		(71)
<b>Net assets</b>			<b>2,135</b>		<b>1,248</b>
<b>Capital and reserves</b>					
Called up share capital	17		-		-
Revaluation reserve	18		2,400		2,400
Profit and loss account	18		(265)		(1,152)
<b>Shareholders funds</b>			<b>2,135</b>		<b>1,248</b>

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

11<sup>th</sup> August 2017

  
.....  
**S Pereira**  
Director

The notes on pages 10 to 23 form part of these financial statements.

## Loughton Care Centre Limited

### Statement of changes in equity For the Period Ended 31 December 2016

	Called up share capital £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
At 1 March 2016	-	2,400	(1,152)	1,248
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	887	887
<b>Total comprehensive income for the period</b>	-	-	887	887
<b>At 31 December 2016</b>	-	2,400	(265)	2,135

### Statement of changes in equity For the Period Ended 29 February 2016

	Unaudited Called up share capital £000	Unaudited Revaluation reserve £000	Unaudited Profit and loss account £000	Unaudited Total equity £000
At 1 March 2015	-	2,400	(1,390)	1,010
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	309	309
Deferred tax movements	-	-	(71)	(71)
<b>Total comprehensive income for the year</b>	-	-	238	238
<b>At 29 February 2016</b>	-	2,400	(1,152)	1,248

The notes on pages 10 to 23 form part of these financial statements.

# Loughton Care Centre Limited

## Notes to the financial statements For the Period Ended 31 December 2016

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### 1. General information

Loughton Care Centre Limited is a private company limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page and the principal activity is set out in the directors report.

### 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 company adopted FRS 102 on 1 March 2015. Information on the impact of first-time adoption of FRS 102 is given in note 21.

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

The following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Gibson Topco Limited as at 31 December 2016 and these financial statements may be obtained from Companies House.

#### 2.3 Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. In addition the Company has received an undertaking from its parent company that no amounts owed by the Company will be called for repayment for a period of at least 12 months from the date of approval of these financial statements unless the Company is in a position to make payments without adversely affecting its ability to continue to trade and settle any future obligations. Therefore the financial statements have been prepared on a going concern basis.

# Loughton Care Centre Limited

## Notes to the financial statements For the Period Ended 31 December 2016

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### 2. Accounting policies (continued)

#### 2.4 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.

#### 2.5 Tangible fixed assets

Tangible fixed assets 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, using the following rates:

Depreciation is provided on the following basis:

Freehold property	- 2% reducing balance
Fixtures and fittings	- 20% reducing balance
Computer equipment	- 33.3% 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.

#### 2.6 Revaluation of tangible fixed assets

Freehold properties are carried at the year end at cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by the directors.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income.

#### 2.7 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.

# Loughton Care Centre Limited

## Notes to the financial statements For the Period Ended 31 December 2016

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### 2. Accounting policies (continued)

#### 2.8 Financial instruments

Financial assets including cash at bank and trade and other debtors are measured initially at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities including trade and other creditors as well as bank overdrafts are measured initially at transaction price (including transactions costs) and subsequently held at amortised cost.

Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of cash or other consideration expected to be paid or received.

#### 2.9 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.

#### 2.10 Interest income

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

#### 2.11 Financial risk management

Intercompany loan balances attract interest at a market rate equivalent to a commercial loan provided on similar terms. The interest is charged to the Statement of Comprehensive Income over the term of the debt on a compounded basis.

Interest rate risk is managed by benchmarking intercompany loans against comparable commercial loans to ensure that current interest rate risk management strategies are appropriate.

The principal financial assets are bank balances and cash, which represent the company's maximum exposure to credit risk in relation to financial assets.

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

The Board of Directors monitors capital on the basis of the value of net assets attributable to redeemable shareholders.

# Loughton Care Centre Limited

## Notes to the financial statements For the Period Ended 31 December 2016

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### 2. Accounting policies (continued)

#### 2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

#### 2.13 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the difference between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.



# Loughton Care Centre Limited

## Notes to the financial statements For the Period Ended 31 December 2016

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### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether accruals are calculated and included in the accounts to estimate a provision for the liabilities incurred but not invoiced at the year end.
- Determine whether trade debtors are reviewed and provided for where there is uncertainty over recoverability.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.
- Determine whether freehold property is carried at fair value annually, derived from current market values for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset.

### 4. Turnover

All turnover arose within the United Kingdom.

### 5. Operating profit

The operating profit is stated after charging:

	10 months ended 31 December 2016 £000	Unaudited Year ended 29 February 2016 £000
Depreciation of tangible fixed assets	5	92

Fees payable to the company's auditors for the auditing of the company's annual accounts are borne by a related undertaking.

# Loughton Care Centre Limited

## Notes to the financial statements For the Period Ended 31 December 2016

### 6. Employees

Staff costs were as follows:

	10 months ended 31 December 2016 £000	Unaudited Year ended 29 February 2016 £000
Wages and salaries	1,697	1,315
Social security costs	124	94
	1,821	1,409
	1,821	1,409

No director received any emoluments during the current year (2015 - £Nil).

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

	10 months ended 31 December 2016 £000	Unaudited Year ended 29 February 2016 £000
Employees	100	70
	100	70
	100	70

### 7. Interest receivable

	10 months ended 31 December 2016 £000	Unaudited Year ended 29 February 2016 £000
Interest receivable from group companies	9	-
Other interest receivable	1	1
	10	1
	10	1

# Loughton Care Centre Limited

## Notes to the financial statements For the Period Ended 31 December 2016

### 8. Interest payable and similar charges

	10 months ended 31 December 2016 £000	Unaudited Year ended 29 February 2016 £000
Bank interest payable	126	197
Other loan interest payable	68	195
Loans from group undertakings	163	-
Finance leases and hire purchase contracts	2	-
	<u>359</u>	<u>392</u>

### 9. Taxation

	10 months ended 31 December 2016 £000	Unaudited Year ended 29 February 2016 £000
<b>Corporation tax</b>		
Current tax on profits for the year	22	-
	<u>22</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	8	-
	<u>8</u>	<u>-</u>
<b>Taxation on profit on ordinary activities</b>	<u>30</u>	<u>-</u>

# Loughton Care Centre Limited

## Notes to the financial statements For the Period Ended 31 December 2016

### 9. Taxation (continued)

#### Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (29 February 2016 - lower than) the standard rate of corporation tax in the UK of 20% (29 February 2016 - 20%). The differences are explained below:

	10 months ended 31 December 2016 £000	Unaudited Year ended 29 February 2016 £000
Profit on ordinary activities before tax	916	309
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	183	62
<b>Effects of:</b>		
Expenses not deductible for tax purposes	94	-
Group relief	(52)	-
Adjust closing deferred tax to average rate	(2)	9
Adjust opening deferred tax to average rate	(19)	(1)
Deferred tax not recognised	(174)	(70)
<b>Total tax charge for the period/year</b>	<b>30</b>	<b>-</b>

# Loughton Care Centre Limited

## Notes to the financial statements For the Period Ended 31 December 2016

### 10. Tangible fixed assets

	Freehold property £000	Plant and machinery £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>					
At 1 March 2016	8,652	2	504	18	9,176
Additions	-	-	8	4	12
At 31 December 2016	<u>8,652</u>	<u>2</u>	<u>512</u>	<u>22</u>	<u>9,188</u>
<b>Depreciation</b>					
At 1 March 2016	-	-	189	9	198
Charge for the period on owned assets	-	-	5	-	5
At 31 December 2016	<u>-</u>	<u>-</u>	<u>194</u>	<u>9</u>	<u>203</u>
<b>Net book value</b>					
At 31 December 2016	<u>8,652</u>	<u>2</u>	<u>318</u>	<u>13</u>	<u>8,985</u>
At 29 February 2016	<u>8,652</u>	<u>2</u>	<u>315</u>	<u>9</u>	<u>8,978</u>

# Loughton Care Centre Limited

## Notes to the financial statements For the Period Ended 31 December 2016

### 10. Tangible fixed assets (continued)

Freehold property at 31 December 2016 is analysed as follows:

	Land and buildings £000
At cost	6,252
February 2016 revaluation surplus	2,400
	8,652
	8,652

In the opinion of the directors there has been no change in the fair value of the freehold property since February 2016.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	31 December 2016 £000	Unaudited 29 February 2016 £000
Cost	6,252	6,252
<b>Net book value</b>	<b>6,252</b>	<b>6,252</b>
	<b>6,252</b>	<b>6,252</b>

There is a fixed and floating charge which covers all the property or undertaking of the company by way of group guarantee for the loan facility in Gibson Propco Limited, a fellow subsidiary undertaking. The balance of the loan drawn down at the period end was £9,724,000.

### 11. Debtors

	31 December 2016 £000	Unaudited 29 February 2016 £000
Trade debtors	196	133
Amounts owed by group undertakings	422	-
Prepayments and accrued income	36	24
	<b>654</b>	<b>157</b>
	<b>654</b>	<b>157</b>

Amounts owed by group undertakings bear interest at 5.25% per annum.

All amounts shown under debtors fall due for payment within one year.

# Loughton Care Centre Limited

## Notes to the financial statements For the Period Ended 31 December 2016

### 12. Creditors: Amounts falling due within one year

	31 December 2016 £000	Unaudited 29 February 2016 £000
Bank loans	-	250
Trade creditors	69	138
Amounts owed to group undertakings	7,000	-
Corporation tax	22	-
Other taxation and social security	32	30
Other creditors	226	191
Accruals and deferred income	154	724
	7,503	1,333

Amounts owed to group undertakings bear interest at 5.25% per annum.

### 13. Creditors: Amounts falling due after more than one year

	31 December 2016 £000	Unaudited 29 February 2016 £000
Bank loans	-	3,944
Amounts owed to group undertakings	-	1,652
Other creditors	-	1,187
	-	6,783

### 14. Loans

Analysis of the maturity of loans is given below:

	31 December 2016 £000	Unaudited 29 February 2016 £000
<b>Amounts falling due within one year</b>		
Bank loans	-	250
<b>Amounts falling due 2-5 years</b>		
Bank loans	-	3,944
	-	4,194

# Loughton Care Centre Limited

## Notes to the financial statements For the Period Ended 31 December 2016

### 15. Financial instruments

	31 December 2016 £000	Unaudited 29 February 2016 £000
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	696	433
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(7,449)	(8,086)

Financial assets measured at amortised cost comprise cash and debtors (excluding prepayments and taxation).

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, amounts owed by group undertakings, other creditors and accruals and deferred income.

### 16. Deferred taxation

	31 December 2016 £000	Unaudited 29 February 2016 £000
At beginning of year	(71)	-
Charged to statement of comprehensive income	(8)	-
Charged to other comprehensive income	-	(71)
<b>At end of year</b>	<b>(79)</b>	<b>(71)</b>

The provision for deferred taxation is made up as follows:

	31 December 2016 £000	Unaudited 29 February 2016 £000
Accelerated capital allowances	(8)	-
Capital gain on freehold revaluation	(71)	(71)
	<b>(79)</b>	<b>(71)</b>



# Loughton Care Centre Limited

## Notes to the financial statements For the Period Ended 31 December 2016

### 17. Share capital

	31 December 2016 £000	Unaudited 29 February 2016 £000
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
1 Ordinary £1 share of £1	-	-

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

### 18. Reserves

#### Called up share capital

Called up share capital reserve represents the nominal value of the company's shares.

#### Revaluation reserve

The revaluation reserve represents cumulative gains and losses upon revaluation of tangible fixed assets.

#### Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 19. Related party transactions

As at 29 February 2016, the directors' loan account balance was £1,187,000 and the amount due to the previous parent company Pear Blossom Global Limited was £1,652,000.

These loan balances were settled during the period to 31 December 2016.

### 20. Controlling party

The immediate parent company is Gibson Propco Limited. Gibson Propco Limited is indirectly owned by Gibson Topco Limited (the ultimate parent company).

The directors consider that the ultimate controlling party is Synova Capital Fund III LP, by virtue of its majority shareholding in Gibson Topco Limited (the ultimate parent company).

Gibson Topco Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2016. A copy of the consolidated financial statements can be obtained from Companies House.

# Loughton Care Centre Limited

## Notes to the financial statements For the Period Ended 31 December 2016

### 21. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 March 2015. The impact of the transition to FRS 102 is as follows:

#### Reconciliation of equity at 1 March 2015

	Note	£000
Equity at 1 March 2015 under previous UK GAAP		1,010
<b>Equity shareholders funds at 1 March 2015 under FRS 102</b>		<b>1,010</b>

#### Reconciliation of equity at 29 February 2016

	Note	£000
Equity at 29 February 2016 under previous UK GAAP		1,319
Deferred tax	1	(71)
<b>Equity shareholders funds at 29 February 2016 under FRS 102</b>		<b>1,248</b>

#### Reconciliation of profit and loss account for the year ended 29 February 2016

	£000
Profit for the year under previous UK GAAP	309
<b>Profit for the period ended 29 February 2016 under FRS 102</b>	<b>309</b>

The following were changes in accounting policies arising from the transition to FRS 102:

- 1 FRS 102 requires that deferred tax be recognised on revaluations of investment property. This was not required under previous UK GAAP unless there was a binding agreement to sell the revalued asset and the gains or losses expected to arise on sale had been recognised. This change has been retrospectively applied, leading to the recognition of additional deferred tax liabilities at the date of transition and to increase the deferred tax charge for the year ended 29 February 2016.