CH

Company Registration No. 08510730 (England and Wales)

LIVING CARE HEALTH LIMITED

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 SEPTEMBER 2017

PAGES FOR FILING WITH REGISTRAR

Company Registration No. 08510730

LIVING CARE HEALTH LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

		2017		2016	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		-		375,034
Investment properties	4		3,745,000		4,673,830
Investments	5		900,000		7,435,599
			4,645,000		12,484,463
Current assets					
Debtors	6	643,061		2,121,877	
Cash at bank and in hand		63,549		335,295	
		706,610		2,457,172	
Creditors: amounts falling due within one year	7	(847,271)		(8,984,567)	
Net current liabilities			(140,661)		(6,527,395)
Total assets less current liabilities			4,504,339		5,957,068
Creditors: amounts falling due after more than one year	8		(1,180,662)		(5,655,404)
Net assets			3,323,677		301,664
Capital and reserves					
Called up share capital	9		200		200
Profit and loss reserves			3,323,477		301,464
Total equity			3,323,677		301,664

LIVING CARE HEALTH LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 SEPTEMBER 2017

The director of the company has elected not to include a copy of the income statement within the financial statements.

For the financial period ended 30 September 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 14 June 2018 and are signed on its behalf by:

Dr S M Feldman
Director

1 Accounting policies

Company information
Living Care Health Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 4215 Park Approach, Thorpe Park, Leeds, LS15 8GB.

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

First time adoption of FRS 102
These financial statements are the first financial statements of Living Care Health Limited prepared in accordance with FRS 102. The financial statements of Living Care Health Limited for the period ended 30 June 2016 were prepared in accordance with Financial Reporting Standard for Smaller Entities (effective January 2015) (FRSSE).

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from FRSSE. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102. However, on transition to FRS 102, freehold properties amounting to £4,673,830 have been shown as investment properties. There was no adjustment to the fair value of these properties on transition and there has been no effect on total equity.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

Reporting period
These financial statements have been presented for a period longer than one year. The current period has been prepared to 30 September 2017 which is a period of 15 months and the prior period was prepared to 30 June 2016 which was for a period of 9 months. This is because the director wanted to have the same reporting period as other group and related companies. The comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

Turnover
Turnover represents the value, net of value added tax, of rental income charged to tenants during the year. In the previous period, turnover represented sales of services, excluding value added tax, and incorporated services provided to subsidiary companies and recognised them on an annual basis.

Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

1 Accounting policies (Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings leasehold	Straight line over the life of the lease
Fixtures, fittings and equipment	25% on reducing balance
Motor vehicles	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Investment properties
Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

Fixed asset investments
Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets
At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies (Continued)

Financial instruments
The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets
Basic financial assets, which include trade and other debtors, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities
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 company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including trade and other creditors, bank loans and amounts due to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments
Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation
The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 1 (2016 - 6).

3 Tangible fixed assets

	Land and buildings leasehold	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 July 2016	279,647	117,154	78,645	475,446
Disposals	(279,647)	(117,154)	(78,645)	(475,446)
At 30 September 2017	-	-	-	-
Depreciation and impairment				
At 1 July 2016	7,624	61,392	31,396	100,412
Eliminated in respect of disposals	(7,624)	(61,392)	(31,396)	(100,412)
At 30 September 2017	-	-	-	-
Carrying amount				
At 30 September 2017	-	-	-	-
At 30 June 2016	272,023	55,762	47,249	375,034

4 Investment property

	2017
	£
Fair value	
At 1 July 2016	4,673,830
Disposals	(805,838)
Revaluations	(122,992)
At 30 September 2017	3,745,000

In the opinion of the director, the investment properties are shown at open market value and have been determined on a rental yield basis.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2017	2016
	£	£
Cost	3,867,992	4,673,830
Accumulated depreciation	-	-
Carrying amount	3,867,992	4,673,830

5 Fixed asset investments

	2017	2016
	£	£
Investments	900,000	7,435,599

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 July 2016	7,435,599
Additions	900,000
Disposals	(7,435,599)
At 30 September 2017	900,000
Carrying amount	
At 30 September 2017	900,000
At 30 June 2016	7,435,599

6 Debtors

	2017	2016
Amounts falling due within one year:	£	£
Trade debtors	91,799	40,697
Corporation tax recoverable	-	185
Amounts owed by group undertakings	463,214	2,047,574
Other debtors	88,048	33,421
	643,061	2,121,877

7 Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans	84,080	1,850,301
Trade creditors	10,921	224,883
Amounts due to group undertakings	-	5,405,057
Corporation tax	52,742	6,102
Other taxation and social security	28,632	34,214
Other creditors	670,896	1,464,010
	847,271	8,984,567

Bank loans of £84,080 (2016 - £1,850,301) are secured by fixed and floating charges over the investment properties. Included within other creditors are hire purchase contracts of £nil (2016 - £17,922) which are secured against the assets to which they relate.

8 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Bank loans	1,180,662	5,628,033
Other creditors	-	27,371
	1,180,662	5,655,404

Bank loans of £1,180,662 (2016 - £5,628,033) are secured by fixed and floating charges over the investment properties. Included within other creditors are hire purchase contracts of £nil (2016 - £27,371) which are secured against the assets to which they relate.

Amounts included above which fall due after five years are as follows:

Payable by instalments	803,472	4,013,586

9 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary A non voting shares of 10p each	100	100
500 Ordinary B shares of 10p each	50	50
250 Ordinary C shares of 10p each	25	25
250 Ordinary D shares of 10p each	25	25
	200	200

10 Related party transactions

During the period the company paid consultancy fees of £nil (2016 - £91,273) and paid for goods amounting to £nil (2016 - £3,372) on behalf of companies with common directors. At the period end the company owed £nil (2016 - £59,862) to these companies. At 30 September 2017, these companies no longer had common directors and were no longer related parties.

During the period, loans were made to companies in which they have a participating interest, amounting to £463,214. At 30 September 2017, £463,214 (2016 - £nil) was owed to the company.

During the period the company paid interest of £nil (2016 - £88,267) and net repayments amounting to £1,062,507 to its directors, including the directors who resigned on 30 September 2016. At 30 September 2017, the company owed £905 (2016 - £1,064,743) to its remaining director.