Registered number: 07861667

LOUGHTON CARE CENTRE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

LOUGHTON CARE CENTRE LIMITED

COMPANY INFORMATION

Directors	H Atkar S Pereira (resigned 30 September 2018) D Dalmedo (appointed 1 September 2018) R Harvey (appointed 1 April 2019) J Balmer (appointed 20 August 2019)
Registered number	07861667
Registered office	10 Lower Thames Street London EC3R 6AF
Independent auditor	KPMG LLP 58 Clarendon Road Watford WD17 1DE
Accountants	RPG Crouch Chapman LLP 62 Wilson Street London EC2A 2BU

LOUGHTON CARE CENTRE LIMITED

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LOUGHTON CARE CENTRE LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

The directors present the strategic report and financial statements for the year ended 31 December 2018.

Business review

For the period 1 January 2017 to 14 July 2017 the company operated as a care home which operated in the residential, nursing and specialist elderly care market sector.

On 14 July 2017 the company transferred the trade as the care home operator for the Loughton Care Centre to fellow group company Oakland Primecare Limited. From that date the company changed to being a property investment company renting the freehold property to Oakland Primecare Limited for the use of the Loughton Care Centre Limited. The current year turnover represents a full year of rental income.

The entity has taken early adoption of the FRS102 triennial review. The area of note is with respect to renting investment property to a fellow group member and the company has retained the land and buildings in freehold property instead of transferring it to investment property.

Principal risks and uncertainties

Regulation compliance
During the period of operating as a care home, one of the biggest risks to the business was to operate within the sector's regulations and compliance regime. The directors monitored the running of the care home and monitored any changes in the regulations. They also ensure that qualified and experienced personnel were employed and that staff were continuously trained to provide quality care and services to the 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

This report was approved by the board on 27 September 2019 and signed on its behalf.

....
R Harvey
Director

LOUGHTON CARE CENTRE LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Principal activity

The principal activity of the company was that of operating a care home for the period 1 January 2017 to 14 July 2017. From 14 July 2017 the principal activity changed to that of a property investment company.

Results and dividends

The profit for the year, after taxation, amounted to £311,000 (2017: -£938,000).

Going concern

Notwithstanding net current liabilities of £5,191,000 as at 31 December 2018 and a profit for the year then ended of £311,000, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 15 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its immediate parent and fellow group subsidiary companies, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Gibson Propco Limited and Oakland Primecare Limited not seeking repayment of the amounts currently due to the company, which at 31 December 2018 amounted to £8,294,000, and providing additional financial support during that period. Gibson Propco Limited and Oakland Primecare Limited have indicated their intention to continue to make available such funds as are needed by the company, and that they do not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 15 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Directors

The directors who served during the year were:

H Atkar
S Pereira (resigned 30 September 2018)
D Dalmedo (appointed 1 September 2018)

Future developments

The directors do not consider there to be any future developments that require specific disclosure.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

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

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

Proposed dividend

The directors do not recommend the payment of a dividend.

Auditor

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements.

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent ;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

This report was approved by the board on 27 September 2019 and signed on its behalf.

....

R Harvey
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOUGHTON CARE CENTRE LIMITED

Opinion

We have audited the financial statements of Loughton Care Centre Limited ("the company") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the valutation of tangible assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

D Simpson

David Simpson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
58 Clarendon Road
Watford
WD17 1DE

27 September 2019

LOUGHTON CARE CENTRE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Turnover	4	700	3,206
Cost of sales		-	(1,527)
Gross profit		700	1,679
Administrative expenses		(114)	(436)
Operating profit	5	586	1,243
Interest receivable	7	162	117
Interest payable and expenses	8	(437)	(422)
Profit before tax		311	938
Tax on profit	9	-	-
Profit for the financial year		311	938

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 12 to 23 form part of these financial statements.

LOUGHTON CARE CENTRE LIMITED
REGISTERED NUMBER:07861667

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note		2018 £000		2017 £000
Fixed assets					
Tangible assets	10		8,652		8,652
			8,652		8,652
Current assets					
Debtors: amounts falling due within one year	12	3,100		2,253	
Cash at bank and in hand	11	3		17	
		3,103		2,270	
Creditors: amounts falling due within one year	13	(8,294)		(7,772)	
Net current liabilities			(5,191)		(5,502)
Total assets less current liabilities			3,461		3,150
Provisions for liabilities					
Deferred tax	15	(79)		(79)	
			(79)		(79)
Net assets			3,382		3,071
Capital and reserves					
Called up share capital	16		-		-
Revaluation reserve			2,400		2,400
Profit and loss account			982		671
			3,382		3,071

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2019

....
R Harvey
Director

The notes on pages 12 to 23 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2018	-	2,400	671	3,071
Comprehensive income for the year				
Profit for the year	-	-	311	311
At 31 December 2018	-	2,400	982	3,382

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

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2017	-	2,400	(267)	2,133
Comprehensive income for the year				
Profit for the year	-	-	938	938
At 31 December 2017	-	2,400	671	3,071

The notes on pages 12 to 23 form part of these financial statements.

1. General information

Loughton Care Centre Limited is a private company limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The group has early adopted the FRS102 Triennial review 2017 amendments, including the provision in relation to transferring investment property rented to another group company to property plant and equipment at cost less accumulated depreciation.

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 2018 and these financial statements may be obtained from Companies House.

2. Accounting policies (continued)

2.3 Going concern

Notwithstanding net current liabilities of £5,191,000 as at 31 December 2018 and a profit for the year then ended of £311,000, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 15 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its immediate parent and fellow group subsidiary companies, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Gibson Propco Limited and Oakland Primecare Limited not seeking repayment of the amounts currently due to the company, which at 31 December 2018 amounted to £8,294,000, and providing additional financial support during that period. Gibson Propco Limited and Oakland Primecare Limited have indicated their intention to continue to make available such funds as are needed by the company, and that they do not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 15 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Provision of care home services

Revenue from the provision of care home services is recognised in the period in which services are provided, in accordance with the individual residents contract, and if it is probable that the company will receive the consideration under the contract

Rental income

Revenue for rental income is recognised on an accruals basis in line with the rental agreement.

2. Accounting policies (continued)

2.5 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the following rates.

Depreciation is provided on the following basis:

Freehold property	-	2% 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.

The directors believe that the residual value of the freehold property, which includes land and buildings, is greater than the carrying value at the year end and therefore no depreciation is recognised.

Where fixed assets had previously been revalued, on transition to FRS102 this was treated as deemed cost.

2.6 Debtors

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

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.

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 transaction 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 Creditors

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

2.10 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.

2.11 Interest income

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

2.12 Borrowing costs

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

2. Accounting policies (continued)

2.13 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 monitor capital on the basis of the value of net assets attributable to redeemable shareholders.

2.14 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. Accounting policies (continued)

2.15Current and deferred taxation

The tax expense for the year 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 differences 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.

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

In preparing these financial statements, the directors have not had to make significant estimates or judgements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £000	2017 £000
Fee income from operating as a care home	-	2,880
Rental income	700	326
	700	3,206

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging

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

6. Employees

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	-	1,106
Social security costs	-	89
	-	1,195

No director received any emoluments during the current year (2016 - £Nil). The notional cost of the Directors not remunerated through this company was inconsequential during the year.

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

	2018 No.	2017 No.
Staff	-	63

7. Interest receivable

	2018 £000	2017 £000
Interest receivable from group companies	162	117
	162	117

8. Interest payable and similar charges

	2018 £000	2017 £000
Loans from group undertakings	437	422
	437	422

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

9. Taxation

	2018 £000	2017 £000
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 -lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19%). The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	311	938
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 -19%)	59	178
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	7
Capital allowances for year in excess of depreciation	(45)	(7)
Group relief	(14)	(178)
Total tax charge for the year	-	-

Factors that may affect future tax charges

Reductions to the UK Corporation tax rates were substantially enacted as part of the Finance Bill (No 2) 2015 on 18 November 2015. This reduced the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020.

A further reduction to the UK corporation tax was announced in the March 2016 budget reducing the main rate to 17% from 1 April 2020.

LOUGHTON CARE CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

10. Tangible fixed assets

	Freehold property £000
Cost or valuation	
At 1 January 2018	8,652
At 31 December 2018	8,652
At 31 December 2018	-
Net book value	
At 31 December 2018	8,652
At 31 December 2017	8,652

Freehold property at 31 December 2018 is analysed as follows:

	Land and buildings £000
At cost	6,252
At valuation:	
October 2015 revaluation surplus	2,400
	8,652

In the opinion of the directors there has been no change in the fair value of the freehold property since (January 2016) when the revised valuation was transferred to deemed cost.

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

	2018 £000	2017 £000
Cost	6,252	6,252
Net book value	6,252	6,252

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 disclosed in Gibson Propco Limited, a fellow subsidiary undertaking. The balance of the loan drawn down at the period end was £19,481,000 (2017: £12,811,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

11. Cash and cash equivalents

	2018 £000	2017 £000
Cash at bank and in hand	3	17
	3	17

12. Debtors

	2018 £000	2017 £000
Trade debtors	-	326
Amounts owed by group undertakings	3,096	1,927
Prepayments and accrued income	4	-
	3,100	2,253

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

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

13. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	-	61
Amounts owed to group undertakings	8,294	7,727
Other creditors	-	1
Accruals and deferred income	-	(17)
	8,294	7,772

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

14. Financial instruments

	2018 £000	2017 £000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	3,099	2,270
	3,099	2,270
Financial liabilities		
Financial liabilities measured at amortised cost	(8,294)	(7,772)
	(8,294)	(7,772)

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

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

15. Deferred taxation

	2018 £000	2017 £000
At beginning of year	(79)	(79)
At end of year	(79)	(79)

The provision for deferred taxation is made up as follows:

	2018 £000	2017 £000
Accelerated capital allowances	(8)	(8)
Capital gain on freehold revaluation	(71)	(71)
	(79)	(79)

16. Share capital

	2018	2017
	£	£
<u>Shares classified as equity</u>		
<u>Allotted, called up and fully paid</u>		
1 Ordinary £1 share	1	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.

17. 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.

18. 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 2018. A copy of the consolidated financial statements can be obtained from Companies House.