

COMPANY REGISTRATION NUMBER 03025072

PRESTIGE CARE LIMITED
FINANCIAL STATEMENTS
31ST JULY 2015

FRIDAY



A22 *A55XOYNM* #47
29/04/2016
COMPANIES HOUSE

PRESTIGE CARE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2015

| CONTENTS | PAGE |
|--|-------------|
| Officers and professional advisers | 1 |
| Strategic report | 2 |
| Directors' report | 4 |
| Independent auditor's report to the shareholders | 6 |
| Profit and loss account | 8 |
| Group statement of total recognised gains and losses | 9 |
| Group balance sheet | 10 |
| Balance sheet | 11 |
| Group cash flow | 12 |
| Notes to the financial statements | 15 |

PRESTIGE CARE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

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

PRESTIGE CARE LIMITED

STRATEGIC REPORT

YEAR ENDED 31ST JULY 2015

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW

The group has reported a pre-tax loss of £489,870. It is noted that substantial non cash flow expenses are included in this figure and accounted for in accordance with GAAP, namely a standard £124,449 depreciation charge on its nursing home freehold property and also £251,383 charged to the profit and loss account in relation to suspended hedge payments still under the FCA mis-selling review. Excluding these items, the underlying operation pre-tax loss would be £114,038.

Since the year end, the group has taken steps to improve the underlying operational finance performance and strategic changes implemented at the group's nursing home operation mean the home is now operating profitably which should ensure improved financial results in future years.

FUTURE DEVELOPMENTS

The group has four ongoing complaints with RBS in respect of the mis-selling of interest rate protection products.

Two of these were settled within the year and the group continues to pursue its consequential loss claim on those. Another claim has been partially settled post year end and the group continues to pursue the full amount of redress it believes is due to it via consequential loss claim.

The final claim has initially been deemed to fall outside of the Financial Conduct Authority scope. However, the directors remain optimistic that this decision should be reversed and have reserved their position in respect of litigating against the bank if necessary. The directors are confident that once the claim is brought back into the FCA led review, that there will be a strong case to be made for mis-selling and further redress should be due.

The group's legal advisors await the bank's response in respect of the ongoing claims.

Since the year end, the group has demolished and cleared the site of one its former care homes in West Sussex in anticipation of development works commencing Summer 2016. The site has planning permission for a new purpose built 80 bed facility.

PRINCIPAL RISKS AND UNCERTAINTIES

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

The group continues to strive to meet its relevant regulatory requirements in respect of its nursing home business activity and swiftly ensures any required improvements are implemented.

In respect of the mis-selling claims against RBS, there has now been substantial redress received in respect of most of the claims. Some uncertainties remain although the directors remain confident of further positive outcomes.

PRESTIGE CARE LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31ST JULY 2015

Signed on behalf of the directors



Mr S Singh
Director

Approved by the directors on ...25/4/16...

PRESTIGE CARE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST JULY 2015

The directors present their report and the financial statements of the group for the year ended 31st July 2015.

RESULTS AND DIVIDENDS

The loss for the year amounted to £450,661. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group has an established, structured approach to risk management. The group's activities expose it to a variety of financial risks, including the effects of credit, along with liquidity and cash flow risk. The group has adopted risk management policies that seek to mitigate these risks in a cost effective manner.

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

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

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

DIRECTORS

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

Mr S Singh
Mrs B Kaur

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and the profit or loss of the group for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

PRESTIGE CARE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST JULY 2015

DIRECTORS' RESPONSIBILITIES STATEMENT *(continued)*

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DONATIONS

During the year the company made the following contributions:

| | 2015 | 2014 |
|------------|--------------|--------------|
| | £ | £ |
| Charitable | <u>2,891</u> | <u>2,840</u> |

STRATEGIC REPORT

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

AUDITOR

Tait Walker LLP have been re-appointed as auditor for the ensuing year in accordance with section 485 of the Companies Act 2006.

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

- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed on behalf of the directors



Mr S Singh
Director

Approved by the directors on ...25/4/16...

PRESTIGE CARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PRESTIGE CARE LIMITED

YEAR ENDED 31ST JULY 2015

We have audited the group and parent company financial statements ("the financial statements") of Prestige Care Limited for the year ended 31st July 2015 set out on pages 8 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 to 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31st July 2015 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

PRESTIGE CARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PRESTIGE CARE LIMITED *(continued)*

YEAR ENDED 31ST JULY 2015

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Tait Walker LLP

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

For and on behalf of

Tait Walker LLP

Chartered Accountants & Statutory Auditor

Medway House

Fudan Way

Teesdale Park

Stockton-on-Tees

TS17 6EN

26/4/16

PRESTIGE CARE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST JULY 2015

| | Note | 2015 | | 2014 | |
|---|------|-----------|--------------------|-----------|--------------------|
| | | £ | £ | £ | £ |
| TURNOVER | | | | | |
| Continuing operations | | 1,575,590 | | 1,886,576 | |
| Discontinued operations | | — | | 669,742 | |
| Group Turnover | | | 1,575,590 | | 2,556,318 |
| Cost of sales | 3 | | (1,335,310) | | (2,032,645) |
| GROSS PROFIT | | | 240,280 | | 523,673 |
| Net operating expenses | 3 | | 204,525 | | (1,151,149) |
| OPERATING PROFIT: | 4 | | | | |
| Continuing operations | | 35,755 | | 2,179,145 | |
| Discontinued operations | | — | | (504,323) | |
| GROUP OPERATING PROFIT | | | 35,755 | | 1,674,822 |
| Loss on disposal of fixed assets | 6 | | (7,404) | | — |
| Profit on disposal of investments | | | — | | 126,995 |
| Interest payable and similar charges | 8 | | 518,221 | | 565,321 |
| (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | | (489,870) | | 1,236,496 |
| Tax on (loss)/profit on ordinary activities | 9 | | (39,209) | | 354,328 |
| (LOSS)/PROFIT FOR THE FINANCIAL YEAR | 10 | | (450,661) | | 882,168 |

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 15 to 31 form part of these financial statements.

PRESTIGE CARE LIMITED

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31ST JULY 2015

| | 2015 £ | 2014 £ |
|--|------------------|------------------|
| (Loss)/Profit for the financial year attributable to the shareholders of the parent company | (450,661) | 882,168 |
| Unrealised loss on revaluation of certain fixed assets | (278,221) | (1,396,929) |
| Unrealised profit on revaluation of tangible fixed assets: | | |
| Freehold property | — | 157,667 |
| Total gains and losses recognised since the last annual report | <u>(728,882)</u> | <u>(357,094)</u> |

The notes on pages 15 to 31 form part of these financial statements.


PRESTIGE CARE LIMITED

GROUP BALANCE SHEET

31ST JULY 2015

| | Note | 2015 | | 2014 | |
|--|------|------------------|------------------|------------------|--------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 12 | | 7,101,607 | | 12,389,592 |
| CURRENT ASSETS | | | | | |
| Stocks | 14 | 2,515,200 | | — | |
| Debtors | 15 | 1,818,193 | | 2,405,106 | |
| Cash at bank and in hand | | 58,967 | | 91,455 | |
| | | <u>4,392,360</u> | | <u>2,496,561</u> | |
| CREDITORS: amounts falling due within one year | 16 | <u>2,426,909</u> | | <u>5,160,792</u> | |
| NET CURRENT ASSETS/(LIABILITIES) | | | <u>1,965,451</u> | | <u>(2,664,231)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 9,067,058 | | 9,725,361 |
| CREDITORS: amounts falling due after more than one year | 17 | | 6,954,415 | | 6,899,086 |
| PROVISIONS FOR LIABILITIES | | | | | |
| Deferred taxation | 18 | | 70,749 | | 55,499 |
| | | | <u>2,041,894</u> | | <u>2,770,776</u> |
| CAPITAL AND RESERVES | | | | | |
| Called-up equity share capital | 21 | | 10 | | 10 |
| Revaluation reserve | 22 | | 3,371,258 | | 3,728,529 |
| Profit and loss account | 22 | | (1,329,374) | | (957,763) |
| SHAREHOLDERS' FUNDS | 23 | | <u>2,041,894</u> | | <u>2,770,776</u> |

These financial statements were approved by the directors and authorised for issue on ...25/4/16..., and are signed on their behalf by:



Mr S Singh
Director

The notes on pages 15 to 31 form part of these financial statements.

PRESTIGE CARE LIMITED
COMPANY REGISTRATION NUMBER 03025072

BALANCE SHEET

31ST JULY 2015

| | Note | 2015 | | 2014 | |
|--|------|------------------|------------------|------------------|------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 12 | | 5,601,607 | | 5,755,716 |
| Investments | 13 | | 3 | | 311,711 |
| | | | <u>5,601,610</u> | | <u>6,067,427</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 15 | 2,213,304 | | 4,073,265 | |
| Cash at bank and in hand | | 19,316 | | 64,761 | |
| | | <u>2,232,620</u> | | <u>4,138,026</u> | |
| CREDITORS: amounts falling due within one year | 16 | | <u>571,394</u> | | <u>729,189</u> |
| NET CURRENT ASSETS | | | <u>1,661,226</u> | | <u>3,408,837</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 7,262,836 | | 9,476,264 |
| CREDITORS: amounts falling due after more than one year | 17 | | 4,693,087 | | 4,693,141 |
| PROVISIONS FOR LIABILITIES | | | | | |
| Deferred taxation | 18 | | 70,749 | | 67,306 |
| | | | <u>2,499,000</u> | | <u>4,715,817</u> |
| CAPITAL AND RESERVES | | | | | |
| Called-up equity share capital | 21 | | 10 | | 10 |
| Revaluation reserve | 22 | | 3,371,258 | | 3,728,529 |
| Profit and loss account | 22 | | (872,268) | | 987,278 |
| SHAREHOLDERS' FUNDS | | | <u>2,499,000</u> | | <u>4,715,817</u> |

These financial statements were approved by the directors and authorised for issue on ...25/4/16... and are signed on their behalf by:



Mr S Singh
 Director

The notes on pages 15 to 31 form part of these financial statements.

PRESTIGE CARE LIMITED**GROUP CASH FLOW****YEAR ENDED 31ST JULY 2015**

| | 2015 | | 2014 | |
|--|-----------|-----------|-----------|-----------|
| | £ | £ | £ | £ |
| NET CASH INFLOW FROM OPERATING ACTIVITIES | | 635,621 | | 1,054,774 |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | | | | |
| Interest paid | (518,221) | | (565,321) | |
| NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | | (518,221) | | (565,321) |
| TAXATION | | (208,511) | | 18,280 |
| CAPITAL EXPENDITURE | | | | |
| Payments to acquire tangible fixed assets | (52,990) | | (146,305) | |
| Receipts from sale of fixed assets | 2,625,000 | | — | |
| NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE | | 2,572,010 | | (146,305) |
| ACQUISITIONS AND DISPOSALS | | | | |
| Net cash disposed of with trade/business | — | | 4,469 | |
| NET CASH INFLOW FROM ACQUISITIONS AND DISPOSALS | | — | | 4,469 |
| EQUITY DIVIDENDS PAID | | — | | (699,975) |
| CASH INFLOW/(OUTFLOW) BEFORE FINANCING | | 2,480,899 | | (334,078) |
| Carried forward | | 2,480,899 | | (334,078) |

The notes on pages 15 to 31 form part of these financial statements.

PRESTIGE CARE LIMITED

GROUP CASH FLOW

YEAR ENDED 31ST JULY 2015

| | 2015 | | 2014 | |
|---------------------------------------|-------------|------------------|---------|-----------------|
| | £ | £ | £ | £ |
| Brought forward | | 2,480,899 | | (334,078) |
| FINANCING | | | | |
| (Repayment of)/increase in bank loans | (2,664,517) | | 309,700 | |
| NET CASH | | | | |
| (OUTFLOW)/INFLOW FROM | | | | |
| FINANCING | | (2,664,517) | | 309,700 |
| DECREASE IN CASH | | <u>(183,618)</u> | | <u>(24,378)</u> |

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 2015 | 2014 |
|---|----------------|------------------|
| | £ | £ |
| Operating profit | 35,755 | 1,674,822 |
| Depreciation and impairment | 155,150 | 497,228 |
| Decrease/(increase) in debtors | 346,913 | (1,044,100) |
| Increase/(decrease) in creditors | 97,803 | (73,176) |
| Net cash inflow from operating activities | <u>635,621</u> | <u>1,054,774</u> |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

| | 2015 | | 2014 | |
|--|------------------|---------------------|------------------|---------------------|
| | £ | £ | £ | £ |
| Decrease in cash in the period | (183,618) | | (24,378) | |
| Net cash outflow from/(inflow) from bank loans | <u>2,664,517</u> | | <u>(309,700)</u> | |
| | | 2,480,899 | | (334,078) |
| Change in net debt | | 2,480,899 | | (334,078) |
| Net debt at 1 August 2014 | | <u>(10,591,258)</u> | | <u>(10,257,180)</u> |
| Net debt at 31 July 2015 | | <u>(8,110,359)</u> | | <u>(10,591,258)</u> |

The notes on pages 15 to 31 form part of these financial statements.

PRESTIGE CARE LIMITED

GROUP CASH FLOW

YEAR ENDED 31ST JULY 2015

ANALYSIS OF CHANGES IN NET DEBT

| | At 1 Aug 2014 £ | Cash flows £ | At 31 Jul 2015 £ |
|--------------------------|-----------------------|------------------|------------------------|
| Net cash: | | | |
| Cash in hand and at bank | 91,455 | (32,488) | 58,967 |
| Overdrafts | (248,527) | (151,130) | (399,657) |
| | <u>(157,072)</u> | <u>(183,618)</u> | <u>(340,690)</u> |
| Debt: | | | |
| Debt due within 1 year | (3,535,100) | 2,719,846 | (815,254) |
| Debt due after 1 year | (6,899,086) | (55,329) | (6,954,415) |
| | <u>(10,434,186)</u> | <u>2,664,517</u> | <u>(7,769,669)</u> |
| Net debt | <u>(10,591,258)</u> | <u>2,480,899</u> | <u>(8,110,359)</u> |

The notes on pages 15 to 31 form part of these financial statements.

PRESTIGE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

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

Fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation and any provision for impairment. Individual freehold properties are revalued as required with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over the depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus.

Depreciation

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

Fixtures & fittings - 3 to 5 years straight line
Motor vehicles - 25% reducing balance
Office equipment - 3 years straight line
Freehold property - 50 years straight line

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

PRESTIGE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2015

1. ACCOUNTING POLICIES *(continued)*

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2015

1. ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. TURNOVER

The turnover and loss/profit before tax are attributable to the principal activities of the group. An analysis of turnover is given below:

| | 2015 £ | 2014 £ |
|-------------------------|------------------|------------------|
| Nursing home operations | <u>1,575,590</u> | <u>2,556,318</u> |

3. ANALYSIS OF COST OF SALES AND NET OPERATING EXPENSES

| | Continuing operations £ | Discontinued operations £ | Total £ |
|----------------------------------|-------------------------------|---------------------------------|------------------|
| YEAR ENDED 31ST JULY 2015 | | | |
| Cost of sales | <u>1,335,310</u> | - | <u>1,335,310</u> |
| Administrative expenses | 431,538 | - | 431,538 |
| Other operating income | (227,013) | - | (227,013) |
| Net operating expenses | <u>204,525</u> | - | <u>204,525</u> |
| YEAR ENDED 31ST JULY 2014 | | | |
| Cost of sales | <u>1,386,985</u> | 645,660 | <u>2,032,645</u> |
| Administrative expenses | 539,494 | 528,405 | 1,067,899 |
| Other operating income | (2,219,048) | - | (2,219,048) |
| Net operating expenses | <u>1,679,554</u> | <u>528,405</u> | <u>1,151,149</u> |

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2015

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

| | 2015 | 2014 |
|------------------------------------|----------------|--------------------|
| | £ | £ |
| Directors' remuneration | - | - |
| Depreciation of owned fixed assets | 155,150 | 142,263 |
| Impairment of owned fixed assets | - | 354,965 |
| Auditor's remuneration | | |
| - as auditor | 14,892 | 14,610 |
| - for other services | 2,760 | 2,435 |
| Exceptional other operating income | <u>(3,494)</u> | <u>(2,130,563)</u> |

Exceptional other operating income relates entirely to redress payments and interest received from National Westminster Bank Plc and HSBC Plc in respect of mis-sold interest rate hedging products.

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

| | 2015 | 2014 |
|------------------|------------|------------|
| | No | No |
| Management staff | 3 | 4 |
| Care staff | 97 | 153 |
| | <u>100</u> | <u>157</u> |

The aggregate payroll costs of the above were:

| | 2015 | 2014 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,205,768 | 1,815,624 |
| Social security costs | 63,660 | 64,444 |
| | <u>1,269,428</u> | <u>1,880,068</u> |

6. LOSS ON DISPOSAL OF FIXED ASSETS

| | 2015 | 2014 |
|----------------------------------|----------------|----------|
| | £ | £ |
| Loss on disposal of fixed assets | <u>(7,404)</u> | <u>-</u> |

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2015

7. PROFIT ON DISPOSAL OF INVESTMENTS

| | 2015 | 2014 |
|---------------------------------|----------|------------------|
| | £ | £ |
| Amounts written off investments | <u>—</u> | <u>(126,995)</u> |

The above relates to amounts written off following the cessation of trade in Prestige Care (Arundel) Limited.

8. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2015 | 2014 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Interest payable on bank borrowing | 207,345 | 222,997 |
| Other similar charges payable | <u>310,876</u> | <u>342,324</u> |
| | <u>518,221</u> | <u>565,321</u> |

9. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

| | 2015 | | 2014 | |
|--|---------------|-----------------|----------------|----------------|
| | £ | £ | £ | £ |
| Current tax: | | | | |
| UK Corporation tax based on the results for the year at 20.67% (2014 - 22.33%) | | - | | 233,691 |
| (Over)/under provision in prior year | | <u>(54,459)</u> | | - |
| Total current tax | | <u>(54,459)</u> | | 233,691 |
| Deferred tax: | | | | |
| Origination and reversal of timing differences | <u>15,250</u> | | <u>120,637</u> | |
| Total deferred tax (note 18) | | <u>15,250</u> | | <u>120,637</u> |
| Tax on (loss)/profit on ordinary activities | | <u>(39,209)</u> | | <u>354,328</u> |

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2015

9. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20.67% (2014 - 22.33%).

| | 2015 £ | 2014 £ |
|--|------------------|------------------|
| (Loss)/profit on ordinary activities before taxation | <u>(489,870)</u> | <u>1,236,496</u> |
| (Loss)/profit on ordinary activities by rate of tax | (101,239) | 276,127 |
| Expenses not deductible for tax purposes | 32,116 | 112,650 |
| Capital allowances for period in excess of depreciation | 54,746 | (19,524) |
| Utilisation of tax losses | 82,012 | (114,411) |
| Adjustments to tax charge in respect of previous periods | (54,459) | - |
| Marginal relief | - | (440) |
| Income not taxable | <u>(67,635)</u> | <u>(20,711)</u> |
| Total current tax (note 9(a)) | <u>(54,459)</u> | <u>233,691</u> |

10. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £(1,938,596) (2014 - £1,470,526).

11. DIVIDENDS

Equity dividends

| | 2015 £ | 2014 £ |
|----------------------------|-----------|----------------|
| Paid during the year: | | |
| Ordinary shares of £1 each | <u>-</u> | <u>699,975</u> |

During the year the company declared a dividend of £nil per share (2014: £139,995 per share, Mrs Balbir Kaur subsequently waived her right and entitlement to this dividend).

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2015

12. TANGIBLE ASSETS

| Group | Investment property £ | Freehold property £ | Fixtures & Fittings £ | Motor Vehicles £ | Other Assets £ | Total £ |
|---------------------------|--------------------------------------|------------------------------------|--|---------------------------------|-------------------------------|-------------------------|
| COST OR VALUATION | | | | | | |
| At 1 Aug 2014 | 4,403,071 | 9,305,715 | 125,066 | 14,074 | 4,337 | 13,852,263 |
| Additions | – | 257,870 | 22,627 | 11,732 | 761 | 292,990 |
| Disposals | (2,903,071) | – | (14,571) | – | (1,219) | (2,918,861) |
| Transfers | – | (3,320,915) | – | – | – | (3,320,915) |
| At 31 Jul 2015 | <u>1,500,000</u> | <u>6,242,670</u> | <u>133,122</u> | <u>25,806</u> | <u>3,879</u> | <u>7,905,477</u> |
| DEPRECIATION | | | | | | |
| At 1 Aug 2014 | 278,071 | 1,145,715 | 29,795 | 6,817 | 2,273 | 1,462,671 |
| Charge for the year | – | 124,449 | 26,901 | 2,303 | 1,497 | 155,150 |
| On disposals | (278,071) | – | (7,827) | – | (559) | (286,457) |
| Revaluation adjustment | – | 278,221 | – | – | – | 278,221 |
| Transfers | – | (805,715) | – | – | – | (805,715) |
| At 31 Jul 2015 | <u>–</u> | <u>742,670</u> | <u>48,869</u> | <u>9,120</u> | <u>3,211</u> | <u>803,870</u> |
| NET BOOK VALUE | | | | | | |
| At 31 Jul 2015 | <u>1,500,000</u> | <u>5,500,000</u> | <u>84,253</u> | <u>16,686</u> | <u>668</u> | <u>7,101,607</u> |
| At 31 Jul 2014 | 4,125,000 | 8,160,000 | 95,271 | 7,257 | 2,064 | 12,389,592 |

During the year a freehold property was transferred to stock, reflecting the directors' intention to develop and sell the property in the immediate future.

The group's freehold and investment property was valued by the directors at the year end.

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2015

12. TANGIBLE ASSETS *(continued)*

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

| | 2015 £ | 2014 £ |
|--|------------------|------------------|
| Net book value at end of year | <u>5,500,000</u> | <u>5,660,000</u> |
| Historical cost: | | |
| At 1 Aug 2014 | 2,047,496 | 2,047,496 |
| Cost of additions to revalued assets brought forward | 242,670 | - |
| At 31 Jul 2015 | <u>2,290,166</u> | <u>2,047,496</u> |
| Depreciation: | | |
| At 1 Aug 2014 | 124,125 | 75,075 |
| Charge for year | 45,399 | 40,950 |
| At 31 Jul 2015 | <u>169,524</u> | <u>116,025</u> |
| Net historical cost value: | | |
| At 31 Jul 2015 | <u>2,120,642</u> | <u>1,931,471</u> |
| At 1 Aug 2014 | <u>1,923,371</u> | <u>1,972,421</u> |

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2015

12. TANGIBLE ASSETS *(continued)*

| Company | Investment property £ | Freehold property £ | Fixtures & Fittings £ | Motor Vehicles £ | Other Assets £ | Total £ |
|---------------------------|--------------------------------------|------------------------------------|--|---------------------------------|-------------------------------|--------------------|
| COST OR VALUATION | | | | | | |
| At 1 Aug 2014 | – | 6,000,000 | 110,495 | 14,074 | 3,739 | 6,128,308 |
| Additions | – | 242,670 | 22,627 | 11,732 | 761 | 277,790 |
| Disposals | – | – | – | – | (621) | (621) |
| At 31 Jul 2015 | – | 6,242,670 | 133,122 | 25,806 | 3,879 | 6,405,477 |
| DEPRECIATION | | | | | | |
| At 1 Aug 2014 | – | 340,000 | 23,668 | 6,817 | 2,107 | 372,592 |
| Charge for the year | – | 124,449 | 25,201 | 2,303 | 1,381 | 153,334 |
| On disposals | – | – | – | – | (277) | (277) |
| Revaluation adjustment | – | 278,221 | – | – | – | 278,221 |
| At 31 Jul 2015 | – | 742,670 | 48,869 | 9,120 | 3,211 | 803,870 |
| NET BOOK VALUE | | | | | | |
| At 31 Jul 2015 | – | 5,500,000 | 84,253 | 16,686 | 668 | 5,601,607 |
| At 31 Jul 2014 | – | 5,660,000 | 86,827 | 7,257 | 1,632 | 5,755,716 |

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2015

12. TANGIBLE ASSETS *(continued)*

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

| | 2015 | 2014 |
|--|------------------|------------------|
| | | £ |
| Net book value at end of year | <u>5,500,000</u> | <u>5,660,000</u> |
| Historical cost: | | |
| At 1 Aug 2014 | 2,047,496 | 2,047,496 |
| Cost of additions to revalued assets brought forward | 242,670 | - |
| At 31 Jul 2015 | <u>2,290,166</u> | <u>2,047,496</u> |
| Depreciation: | | |
| At 1 Aug 2014 | 124,125 | 75,075 |
| Charge for year | 45,399 | 40,950 |
| At 31 Jul 2015 | <u>169,524</u> | <u>116,025</u> |
| Net historical cost value: | | |
| At 31 Jul 2015 | <u>2,120,642</u> | <u>1,931,471</u> |
| At 1 Aug 2014 | <u>1,923,371</u> | <u>1,972,421</u> |

13. INVESTMENTS

| Company | Group companies |
|---------------------------------------|------------------------|
| | £ |
| COST | |
| At 1st August 2014 and 31st July 2015 | <u>1,500,004</u> |
| AMOUNTS WRITTEN OFF | |
| At 1st August 2014 | 1,188,293 |
| Written off in year | 311,708 |
| At 31st July 2015 | <u>1,500,001</u> |
| NET BOOK VALUE | |
| At 31st July 2015 | <u>3</u> |
| At 31st July 2014 | <u>311,711</u> |

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2015

13. INVESTMENTS *(continued)*

Details of the investments in which the company holds more than 10% of the nominal value of any class of share capital are as follows:

| | Country of registration and operation | Proportion of share Holding capital held | Nature of business |
|---|---|--|-----------------------------------|
| Subsidiary undertakings | | | |
| Prestige Leisure (North East) Limited Limited | England | Ordinary shares 100% | Property developer |
| Prestige Properties (North East) Limited | England | Ordinary shares 100% | Property letting & development |
| Aggregate capital and reserves | | | |
| | | 2015 £ | 2014 £ |
| Prestige Leisure (North East) Limited | | (492,841) | (442,673) |
| Prestige Properties (North East) Limited | | <u>(1,322,754)</u> | <u>(1,190,657)</u> |
| | | <u>(1,815,595)</u> | <u>(1,633,330)</u> |
| Profit/(loss) for the year | | | |
| | | 2015 £ | 2014 £ |
| Prestige Leisure (North East) Limited | | (50,168) | 73,167 |
| Prestige Properties (North East) Limited | | <u>(132,097)</u> | <u>(728,115)</u> |
| | | <u>(182,265)</u> | <u>(654,948)</u> |

14. STOCKS

| | Group | | Company | |
|-------|------------------|-----------|-----------|-----------|
| | 2015 £ | 2014 £ | 2015 £ | 2014 £ |
| Stock | <u>2,515,200</u> | <u>—</u> | <u>—</u> | <u>—</u> |

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2015

15. DEBTORS

| | Group | | Company | |
|------------------------------------|-------------------------|------------------|-------------------------|------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Trade debtors | 209,325 | 238,466 | 209,325 | 225,133 |
| Amounts owed by group undertakings | – | – | 400,000 | 1,693,701 |
| Corporation tax repayable | – | – | 22,052 | – |
| VAT recoverable | 31 | 288 | – | – |
| Other debtors | 1,597,576 | 2,138,694 | 1,576,087 | 2,132,918 |
| Prepayments and accrued income | 11,261 | 27,658 | 5,840 | 21,513 |
| | <u>1,818,193</u> | <u>2,405,106</u> | <u>2,213,304</u> | <u>4,073,265</u> |

The debtors above include the following amounts falling due after more than one year:

| | Group | | Company | |
|------------------------------------|-------------------------|----------------|-------------------------|------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Amounts owed by group undertakings | – | – | – | 1,736,250 |
| Other debtors | 1,554,952 | 199,860 | 1,554,952 | 199,860 |
| | <u>1,554,952</u> | <u>199,860</u> | <u>1,554,952</u> | <u>1,936,110</u> |

16. CREDITORS: amounts falling due within one year

| | Group | | Company | |
|---|-------------------------|------------------|-----------------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | 1,214,911 | 3,783,627 | – | – |
| Trade creditors | 54,317 | 76,150 | 41,589 | 59,593 |
| Directors' loan accounts | 3,529 | 4,856 | 3,529 | 4,856 |
| Other creditors including taxation and social security: | | | | |
| Corporation tax | 462,978 | 725,948 | – | 251,677 |
| PAYE and social security | 13,436 | 12,030 | 13,436 | 12,030 |
| Other creditors | 135,135 | 25,512 | 13,595 | 5,169 |
| Accruals and deferred income | 542,603 | 532,669 | 499,245 | 395,864 |
| | <u>2,426,909</u> | <u>5,160,792</u> | <u>571,394</u> | <u>729,189</u> |

The following liabilities disclosed under creditors falling due within one year are secured by the company:

| | Group | | Company | |
|---------------------------|------------------|-------------|----------------|-------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | 1,214,911 | 3,783,627 | – | – |

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

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2015

17. CREDITORS: amounts falling due after more than one year

| | Group | | Company | |
|---------------------------|-------------------------|------------------|-------------------------|------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | 6,716,815 | 6,661,486 | 4,455,487 | 4,455,541 |
| Other creditors | 237,600 | 237,600 | 237,600 | 237,600 |
| | <u>6,954,415</u> | <u>6,899,086</u> | <u>4,693,087</u> | <u>4,693,141</u> |

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

| | Group | | Company | |
|---------------------------|-------------------------|------------------|-------------------------|------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | <u>6,716,815</u> | <u>6,661,486</u> | <u>4,455,487</u> | <u>4,455,541</u> |

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

| | Group | | Company | |
|---------------------------|-------------------------|------------------|-------------------------|------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | <u>3,727,592</u> | <u>3,742,847</u> | <u>3,727,592</u> | <u>3,742,847</u> |

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

18. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

| | Group | | Company | |
|---------------------------------|----------------------|---------------|----------------------|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Provision/Asset brought forward | 55,499 | (70,745) | 67,306 | (48,930) |
| Increase in provision | 15,250 | 126,244 | 3,443 | 116,236 |
| Provision carried forward | <u>70,749</u> | <u>55,499</u> | <u>70,749</u> | <u>67,306</u> |

PRESTIGE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2015

18. DEFERRED TAXATION *(continued)*

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

| Group | 2015 | | 2014 | |
|---|---------------|-----------------|---------------|-----------------|
| | Provided £ | Unprovided £ | Provided £ | Unprovided £ |
| Excess of taxation allowances over depreciation on fixed assets | 70,749 | - | 123,731 | - |
| Tax losses available | - | - | (68,232) | - |
| | <u>70,749</u> | <u>-</u> | <u>55,499</u> | <u>-</u> |

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of:

| Company | 2015 | | 2014 | |
|---|---------------|-----------------|---------------|-----------------|
| | Provided £ | Unprovided £ | Provided £ | Unprovided £ |
| Excess of taxation allowances over depreciation on fixed assets | 70,749 | - | 67,306 | - |

19. TRANSACTIONS WITH THE DIRECTORS

During the year interest free loan facilities were made available to directors by group companies.

| | 2015 £ |
|--------------------------------------|----------------|
| Balance at the beginning of the year | (4,856) |
| Total drawn during the year | 16,815 |
| Total repaid during the year | (15,488) |
| Balance at the end of the year | <u>(3,529)</u> |

Mr S Singh has provided a personal guarantee to the value of £250,000 in respect of the bank borrowings of Prestige Properties (North East) Limited.

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

PRESTIGE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2015

20. RELATED PARTY TRANSACTIONS

During the year Mr S Singh received dividends of £nil (2014: £699,975) from Prestige Care Limited. Mr S Singh is a Director of all group companies.

During the year Mrs B Kaur waived her right to dividends of £nil (2014: £699,975) from Prestige Care Limited. Mrs B Kaur is a Director of all group companies.

At the year end the group was owed £8,023 (2014: £nil) by Prestige Care (Humberside) Limited. At the year end the group owed £15,000 (2014: £5,027) to Prestige Care (Humberside) Limited. During the year the group paid expenses to the value of £28,498 (2014: £17,905) on behalf of Prestige Care (Humberside) Limited. During the year Prestige Care (Humberside) Limited paid expenses to the value of £15,448 (2014: £28,384) on behalf of the group, there were also transfers of £nil (2014: £5,027) from Prestige Care (Humberside) Limited. Prestige Care (Humberside) Limited was jointly controlled by Mr S Singh and Mrs B Kaur.

At the year end debtors includes £6,012 (2014: £189,859) due from Prestige Estates (North East) Limited. During the year the group paid expenses to the value of £43,974 (2014: £32,589) on behalf of Prestige Estates (North East) Limited, there were also transfers of £45,109 (2014: £40,502) to Prestige Estates (North East) Limited. During the year Prestige Estates (North East) Limited paid expenses to the value of £101,902 (2013: £33,979) on behalf of the group, there were also transfers of £255,842 (2014: £764,075) from Prestige Estates (North East) Limited. Prestige Estates (North East) Limited is controlled by Mr S Singh.

During the year the group purchased services to the value of £2,500 (2014: £57,500) from P&R Construction Limited. At the year end the group owed the sum of £92,094 (2014: £57,500) to P&R Construction Limited. P&R Construction Limited is controlled by Mr S Singh.

During the year the group paid expenses to the value of £50,000 on behalf of Prestige Care (Redcar WF) Limited, this amount was fully repaid during the year. Prestige Care (Redcar WF) Limited is controlled by Mrs B Kaur.

21. SHARE CAPITAL

Authorised share capital:

| | 2015 | 2014 |
|--------------------------------|------------|------------|
| | £ | £ |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

Allotted, called up and fully paid:

| | 2015 | | 2014 | |
|----------------------------|-----------|-----------|-----------|-----------|
| | No | £ | No | £ |
| Ordinary shares of £1 each | <u>10</u> | <u>10</u> | <u>10</u> | <u>10</u> |

PRESTIGE CARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2015

22. RESERVES

| Group | Revaluation reserve £ | Profit and loss account £ |
|--|--------------------------------------|--|
| Balance brought forward | 3,728,529 | (957,763) |
| Loss for the year | - | (450,661) |
| Other movements | | |
| - transfer to/from revaluation reserve | (79,050) | 79,050 |
| Other | (278,221) | - |
| Balance carried forward | <u>3,371,258</u> | <u>(1,329,374)</u> |
| Company | Revaluation reserve £ | Profit and loss account £ |
| Balance brought forward | 3,728,529 | 987,278 |
| Loss for the year | - | (1,938,596) |
| Other movements | | |
| - transfer to/from revaluation reserve | (79,050) | 79,050 |
| Other | (278,221) | - |
| Balance carried forward | <u>3,371,258</u> | <u>(872,268)</u> |

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2015 £ | 2014 £ |
|---|-------------------|--------------------|
| (Loss)/Profit for the financial year | (450,661) | 882,168 |
| Other net recognised gains and losses | - | (1,396,929) |
| Equity dividends | - | (699,975) |
| Transfer from revaluation reserve | 79,050 | 184,161 |
| Transfer to profit and loss account | (79,050) | (26,494) |
| Impairment of previously revalued asset | (278,221) | - |
| Net reduction to shareholders' funds | <u>(728,882)</u> | <u>(1,057,069)</u> |
| Opening shareholders' funds | 2,770,776 | 3,827,845 |
| Closing shareholders' funds | <u>2,041,894</u> | <u>2,770,776</u> |

PRESTIGE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2015

24. POST BALANCE SHEET EVENTS

At the year end Prestige Properties Limited was involved in an ongoing claim against NatWest Bank relating to losses incurred due to mis-selling of certain hedging products. Following the year end a basic redress offer (including interest) of £1.1m was received from NatWest Bank which the directors subsequently accepted. The directors are now pursuing a consequential loss claim of approximately £450,000 and are optimistic about the prospects of receiving further redress from the bank.

On 3rd November 2015 Prestige Care Limited wrote off an inter-company balance of £1,320,097 due from Prestige Properties (North East) Limited. Prestige Leisure (North East) Limited also wrote off an inter-company debt of £38,395 due from Prestige Properties (North East) Limited.

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