COMPANY REGISTRATION NUMBER: 09826921

WINDY KNOWE LIMITED

FILLETED FINANCIAL STATEMENTS

31 DECEMBER 2017



WINDY KNOWE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

CONTENTS	PAGE
Statement of financial position	1
Notes to the financial statements	3

WINDY KNOWE LIMITED

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	3,255,000	3,285,887
Current assets			
Stocks		1,147	1,210
Debtors	6	230,618	444,031
Cash at bank and in hand		250	69,442
		232,015	514,683
Creditors: amounts falling due within one year	7	180,914	803,167
Net current assets/(liabilities)		51,101	(288,484)
Total assets less current liabilities		3,306,101	2,997,403
Creditors: amounts falling due after more than one year	8	4,646	8,362
Provisions		2,576	6,491
Net assets		3,298,879	2,982,550
Capital and reserves			
Called up share capital		100	100
Special reserve		1,985,330	1,985,330
Profit and loss account		1,313,449	997,120
Shareholders funds		3,298,879	2,982,550

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

The notes on pages 3 to 10 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION *(continued)*

31 DECEMBER 2017

These financial statements were approved by the board of directors and authorised for issue on 26 September 2018, and are signed on behalf of the board by:



Mr L D Cox
Director

Company registration number: 09826921

The notes on pages 3 to 10 form part of these financial statements.

1. General information

Windy Knowe Limited is a private company limited by shares and is incorporated in England and Wales. The address of the registered office is 4 Broadbent Court, Newport, Shropshire, TF10 7FE. The principal activity of the company is that of the provision of residential and care services for the elderly.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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

Employee benefits

The company provides a range of benefits to employees.

Short term benefits, including holiday pay, are recognised as an expense in the profit and loss account in the period in which they are incurred.

Changes in accounting estimates

On 1 January 2017 the director reviewed the useful economic life of the fixtures and fittings. The useful economic life is considered to be four years from the date of purchase. The depreciation policy was changed from 20% reducing balance to 25% straight line and this has been applied prospectively. The director believes this to be a more accurate representation of the useful economic life.

Judgements and key sources of estimation uncertainty

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

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty *(continued)*

Key sources of estimation uncertainty

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

As described in the accounting policies of the financial statements, depreciation of tangible fixed assets has been based on estimated useful lives and residual values deemed appropriate by the directors. Estimated useful lives and residual values are reviewed annually and revised as appropriate. Revisions take in to account actual asset lives and residual values as evidenced by disposals during current and prior accounting periods.

The tangible fixed assets are regularly revalued based on independent valuations which adopt value in use as the valuation basis. Value in use is determined by considering various factors such as EBITDA, occupancy levels and trading potential. As the valuations are performed at a particular point in time, they may be subject to fluctuation depending on current trading conditions. Due to this, the director regularly reviews the value in use to ensure that it is still appropriate.

Revenue recognition

The company provides residential and care services to the elderly. The turnover shown in the profit and loss account represents the fees due for the services provided during the year.

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

Corporation tax

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

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

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

3. **Accounting policies** *(continued)*

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

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

Fixtures and fittings	-	20% reducing balance
Freehold property	-	Nil

Depreciation on land and buildings is not provided, as any uncharged depreciation for the year and the accumulated uncharged depreciation would be immaterial in aggregate, as a result of the estimated high residual value of the properties.

Impairment of fixed assets

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

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

3. Accounting policies *(continued)*

Stocks

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

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 43 (2016: 42).

5. Tangible assets

	Freehold property £	Fixtures and fittings £	**Total £**
Cost or valuation			
At 1 January 2017	3,242,868	51,536	3,294,404
Additions	–	3,148	3,148
Disposals	–	(1,680)	(1,680)
Revaluations	(10,086)	–	(10,086)
At 31 December 2017	3,232,782	53,004	3,285,786
Depreciation			
At 1 January 2017	–	8,517	8,517
Charge for the year	–	23,949	23,949
Disposals	–	(1,680)	(1,680)
At 31 December 2017	–	30,786	30,786
Carrying amount			
At 31 December 2017	3,232,782	22,218	3,255,000
At 31 December 2016	3,242,868	43,019	3,285,887

The business was valued in April 2018 by Colliers International as a fully equipped operational entity, including fixtures, fittings, tools and equipment held by the company at the valuation date and having regard to its trading potential. The valuations have been reviewed by the director as at 31 December 2017 after consideration of occupancy levels and specific trading situations. The original cost element of Freehold Property is £3,242,868, and the cost element of Fixtures, Fittings, Tools and Equipment is £42,945. The change in the valuation of the business has been represented by the impairment of freehold property to £3,255,000.

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Fixtures and fittings £
At 31 December 2017	7,929
At 31 December 2016	12,575

6. Debtors

	2017	2016
	£	£
Trade debtors	64,291	37,161
Amounts owed by group undertakings and undertakings in which the company has a participating interest	163,577	219,234
Amounts due from connected companies	–	104,211
Other debtors	2,750	3,425
	230,618	444,031

Amounts owed by group and connected undertakings are unsecured, interest free and are repayable on demand.

7. Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	107	–
Trade creditors	29,707	35,441
Amounts owed to group undertakings	–	486,389
Accruals and deferred income	62,461	145,370
Corporation tax	19,247	8,799
Social security and other taxes	16,832	11,612
Obligations under finance leases and hire purchase contracts	3,716	3,716
Amounts due to connected companies	–	108,311
Other creditors	48,844	3,529
	180,914	803,167

Amounts owed to group and connected undertakings are unsecured, interest free and are repayable on demand.

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

	2017	2016
	£	£
Obligations under finance leases and hire purchase contracts	4,646	8,362

9. Guarantees and other financial commitments

There are cross guarantees between the companies within the Barca Holdings Limited Group totalling £13,689,500.

The amount of other commitments, guarantees and contingencies is £12,298 (2016: £11,798).

10. Events after the end of the reporting period

There were no material events up to 26 September 2018, being the date of approval of the financial statements by the Board.

11. Summary audit opinion

The auditor's report for the year dated 26 September 2018 was unqualified.

The senior statutory auditor was Valerie Wood, for and on behalf of DPC Accountants Limited.

12. Controlling party

The parent company is Barca Holdings Ltd which owns all of the issued share capital of the company. Barca Holdings Ltd is incorporated in England and Wales.

The ultimate parent company is Springcare Limited, a company incorporated in England and is the only group company that prepares consolidated financial statements, including the accounts of the company. A copy of the financial statements can be obtained from the registered office being; 4 Broadbent Court, Newport, Shropshire, TF10 7FE.