

KNOCKMOYLE LODGE LIMITED

ABBREVIATED ACCOUNTS

For the Year Ended 31 March 2013

24 DEC 2013

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COMPANIES HOUSE

KNOCKMOYLE LODGE LIMITED

COMPANY INFORMATION

DIRECTOR Mrs B Kiernan O'Donnell

COMPANY SECRETARY Mr J O'Donnell

REGISTERED NUMBER NI020708

REGISTERED OFFICE 36 Knockmoyle Road
Omagh
BT79 7TB

INDEPENDENT AUDITORS Goldblatt McGuigan
Chartered Accountants & Statutory Auditor
Alfred House
19 Alfred House
Belfast
BT2 8EQ

BANKERS First Trust Bank Limited
41 Main Street
Dromore
BT78 3AG

Santander
51 - 54 Gracechurch Street
The City
London
EC3V 0EH

SOLICITORS Meyler McGuigan
40 John Street
Omagh
BT78 1DN

KNOCKMOYLE LODGE LIMITED

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KNOCKMOYLE LODGE LIMITED

DIRECTOR'S REPORT For the Year Ended 31 March 2013

The director presents her report and the financial statements for the year ended 31 March 2013.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of nursing care for elderly persons.

The director considers the company's key financial performance indicators to be those that communicate the financial performance and strength of the company as a whole, these being turnover, gross profit, net profit before taxation and net assets.

BUSINESS REVIEW

The director is pleased with the results generated from the principal activities of the company during the year. The company has maintained a high level of turnover of £2.25 million (2012 £2.26 million), with a gross profit margin of 88.6% (2012 - 90.3%). Administrative expenses have increased resulting in a decrease in profits before tax from £323k in 2012 to £187k in 2013.

At the year end the company had net assets of £2.08 million (2012 - £1.95 million).

The company has built up a good reputation and operated at almost full occupancy for a number of years. The director has considered the risk of not keeping or obtaining new residents for the forthcoming year and she has assessed this risk as low. As a result the director anticipates that these results can be sustained for the foreseeable future.

The company operates solely in Northern Ireland, and therefore is not subject to currency risks. The company's objective in relation to interest rate management is to minimise the impact of interest rate volatility on interest costs in order to protect recorded profitability. The company is in a strong cash position and does not foresee any cash flow risk in the near future. The company's policy is to ensure that sufficient resources are available from cash balances, cash flows and near liquid investments to ensure all obligations can be met when they fall due.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £128,017 (2012 - £292,587).

Particulars of dividends proposed after the year end are detailed in note to the financial statements.

DIRECTOR

The director who served during the year was:

Mrs B Kiernan O'Donnell

KNOCKMOYLE LODGE LIMITED

DIRECTOR'S REPORT

For the Year Ended 31 March 2013

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless she is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

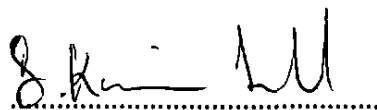
The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable her to ensure that the financial statements comply with the Companies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

DISCLOSURE OF INFORMATION TO AUDITORS

The director at the time when this Director's Report is approved has confirmed that:

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

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



Mrs B Kiernan O'Donnell
Director

Date: 20 / 12 / 2013



GOLDBLATT McGUIGAN

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INDEPENDENT AUDITORS' REPORT TO KNOCKMOYLE LODGE LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 4 to 14, together with the financial statements of Knockmoyle Lodge Limited for the year ended 31 March 2013 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

The director is responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

OPINION ON FINANCIAL STATEMENTS

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 4 to 14 have been properly prepared in accordance with the regulations made under that section.

Mr. Jackie Smith FCA (Senior Statutory Auditor)

for and on behalf of
Goldblatt McGuigan

Chartered Accountants
Statutory Auditor

Alfred House
19 Alfred House
Belfast
BT2 8EQ

20 December 2013

KNOCKMOYLE LODGE LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT **For the Year Ended 31 March 2013**

	Note	2013 £	2012 £
TURNOVER		<u>2,251,432</u>	<u>2,261,506</u>
GROSS PROFIT		<u>2,069,908</u>	<u>2,135,478</u>
Administrative expenses		<u>(1,845,153)</u>	<u>(1,771,929)</u>
OPERATING PROFIT	2	<u>224,755</u>	<u>363,549</u>
Interest receivable and similar income		<u>1,093</u>	<u>1,048</u>
Interest payable and similar charges		<u>(39,324)</u>	<u>(41,642)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>186,524</u>	<u>322,955</u>
Tax on profit on ordinary activities	6	<u>(58,507)</u>	<u>(30,368)</u>
PROFIT FOR THE FINANCIAL YEAR	13	<u><u>128,017</u></u>	<u><u>292,587</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and Loss Account.

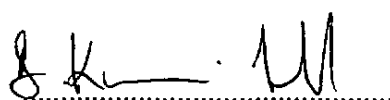
The notes on pages 7 to 14 form part of these financial statements.

KNOCKMOYLE LODGE LIMITED
Registered number: NI020708

ABBREVIATED BALANCE SHEET
As at 31 March 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	7	5,448,188	5,623,498
CURRENT ASSETS			
Debtors	8	587,822	457,019
Cash at bank and in hand		139,089	217,280
		<u>726,911</u>	<u>674,299</u>
CREDITORS: amounts falling due within one year	9	<u>(1,505,117)</u>	<u>(1,600,010)</u>
NET CURRENT LIABILITIES		<u>(778,206)</u>	<u>(925,711)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,669,982</u>	<u>4,697,787</u>
CREDITORS: amounts falling due after more than one year	10	(2,444,253)	(2,590,960)
PROVISIONS FOR LIABILITIES			
Deferred tax	11	<u>(145,704)</u>	<u>(154,819)</u>
NET ASSETS		<u>2,080,025</u>	<u>1,952,008</u>
CAPITAL AND RESERVES			
Called up share capital	12	80,002	80,002
Profit and loss account	13	<u>2,000,023</u>	<u>1,872,006</u>
SHAREHOLDERS' FUNDS	14	<u>2,080,025</u>	<u>1,952,008</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf by:



Mrs B Kiernan O'Donnell
Director

Date: 20/12/2013

The notes on pages 7 to 14 form part of these financial statements.

KNOCKMOYLE LODGE LIMITED

ABBREVIATED CASH FLOW STATEMENT **For the Year Ended 31 March 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	17	224,105	300,504
Returns on investments and servicing of finance	18	(38,530)	(40,814)
Taxation		(87,901)	(27,432)
Capital expenditure and financial investment	18	(33,708)	(67,071)
CASH INFLOW BEFORE FINANCING		63,966	165,187
Financing	18	(143,512)	(141,272)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(79,546)	23,915

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT **For the Year Ended 31 March 2013**

	2013 £	2012 £
(Decrease)/Increase in cash in the year	(79,546)	23,915
Cash outflow from decrease in debt and lease financing	143,512	141,272
MOVEMENT IN NET DEBT IN THE YEAR	63,966	165,187
Net debt at 1 April 2012	(2,491,824)	(2,657,011)
NET DEBT AT 31 MARCH 2013	(2,427,858)	(2,491,824)

The notes on pages 7 to 14 form part of these financial statements.

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS For the Year Ended 31 March 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Revenue is recognised evenly over the period a bed is occupied by a resident.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	20% straight line
Hillview Lodge Property	-	2% straight line

1.4 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Profit and Loss Account over the expected useful lives of the assets concerned. Other grants are credited to the Profit and Loss Account as the related expenditure is incurred.

1.6 Pensions

The company contributes to the personal pension schemes of certain employees. The annual contributions paid by the company are accounted for by charging costs to the Profit and Loss Account as payments accrue.

1.7 Capitalised interest

Interest incurred and identified as attributable to property development costs is capitalised and included in the cost of the property until physical completion of the property.

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS **For the Year Ended 31 March 2013**

1. ACCOUNTING POLICIES (continued)

1.8 Income from properties

Rental income from properties held in fixed assets is credited to the Profit and Loss Account as Other operating income in the period in which it accrues, as this income is considered to be outside the company's principal activity.

2. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2013	2012
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	197,281	179,697
Auditors' remuneration	14,520	14,520
Amortisation of government grants	(930)	(930)
	<u>197,281</u>	<u>179,697</u>

3. STAFF COSTS

Staff costs, including director's remuneration, were as follows:

	2013	2012
	£	£
Wages and salaries	1,379,742	1,292,458
Social security costs	86,413	86,621
Other pension costs	2,000	2,000
	<u>1,468,155</u>	<u>1,381,079</u>

The average monthly number of employees, including the director, during the year was as follows:

	2013	2012
	No.	No.
Knockmoyle - number of management staff	1	1
Knockmoyle - number of other staff	39	37
Hillcrest - number of administrative staff	1	1
Hillcrest - number of other staff	84	78
	<u>125</u>	<u>117</u>

KNOCKMOYLE LODGE LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS
For the Year Ended 31 March 2013****4. DIRECTOR'S REMUNERATION**

	2013 £	2012 £
Remuneration	<u>38,730</u>	<u>29,664</u>
Company pension contributions to defined contribution pension schemes	<u>2,000</u>	<u>2,000</u>

During the year retirement benefits were accruing to 1 director (2012 - 1) in respect of defined contribution pension schemes.

5. INTEREST PAYABLE

	2013 £	2012 £
Interest payable on bank borrowings	<u>39,324</u>	<u>41,642</u>

6. TAXATION

	2013 £	2012 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	67,622	87,925
Adjustments in respect of prior periods	-	(57,829)
Total current tax	<u>67,622</u>	<u>30,096</u>
Deferred tax		
Origination and reversal of timing differences	(2,664)	12,160
Effect of changed tax rate on opening liability	(6,451)	(11,888)
Total deferred tax (see note 11)	<u>(9,115)</u>	<u>272</u>
Tax on profit on ordinary activities	<u>58,507</u>	<u>30,368</u>

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS **For the Year Ended 31 March 2013**

6. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - lower than) the standard rate of corporation tax in the UK of 24% (2012 - 26%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	186,524	322,955
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	44,766	83,968
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	20,971	17,653
Effect of marginal rate of tax	(895)	(522)
Adjustments to tax charge in respect of prior periods	-	(57,829)
Origination and reversal of timing differences	2,780	(13,174)
Current tax charge for the year (see note above)	67,622	30,096

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

7. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Hillview Lodge Property £	Total £
Cost					
At 1 April 2012	5,713,483	14,094	478,254	621,248	6,827,079
Additions	-	-	21,971	-	21,971
Disposals	-	-	(3,637)	-	(3,637)
At 31 March 2013	5,713,483	14,094	496,588	621,248	6,845,413
Depreciation					
At 1 April 2012	675,435	9,352	273,759	245,035	1,203,581
Charge for the year	97,670	1,185	86,001	12,425	197,281
On disposals	-	-	(3,637)	-	(3,637)
At 31 March 2013	773,105	10,537	356,123	257,460	1,397,225
Net book value					
At 31 March 2013	4,940,378	3,557	140,465	363,788	5,448,188
At 31 March 2012	5,038,048	4,742	204,495	376,213	5,623,498

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS **For the Year Ended 31 March 2013**

7. TANGIBLE FIXED ASSETS (continued)

The aggregate amount of finance costs included in the cost of tangible fixed assets is £66,722 (2012 - £66,722).

Included in land and buildings is freehold land at a cost £830,000 (2012 - £830,000) which is not depreciated.

8. DEBTORS

	2013 £	2012 £
Trade debtors	53,013	67,951
Other debtors	422,314	290,670
Prepayments and accrued income	112,495	98,398
	<u>587,822</u>	<u>457,019</u>

9. CREDITORS: **Amounts falling due within one year**

	2013 £	2012 £
Bank loans and overdrafts	147,023	143,403
Trade creditors	42,650	31,665
Corporation tax	67,631	87,910
Other taxation and social security	21,572	25,763
Other creditors	1,194,959	1,279,507
Accruals and deferred income	31,282	31,762
	<u>1,505,117</u>	<u>1,600,010</u>

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

	2013 £	2012 £
Bank loans and overdrafts	<u>147,023</u>	<u>143,403</u>

The nature of the security of the bank loan is as disclosed in note 10.

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS For the Year Ended 31 March 2013

10. CREDITORS: Amounts falling due after more than one year

	2013 £	2012 £
Bank loans	2,419,924	2,565,701
Government grants received	24,329	25,259
	<u>2,444,253</u>	<u>2,590,960</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2013 £	2012 £
Repayable by instalments	<u>1,815,061</u>	<u>1,970,180</u>

The bank loan is repayable by quarterly instalments with interest being charged at bank base rate plus 1%.

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

	2013 £	2012 £
Bank loans	<u>2,419,924</u>	<u>2,565,701</u>

The bank loan is secured by way of a legal charge over the company's nursing home properties Hillview Lodge and Hillcrest Nursing Home.

11. DEFERRED TAXATION

	2013 £	2012 £
At beginning of year	154,819	154,547
(Released during)/charge for year	(9,115)	272
	<u>145,704</u>	<u>154,819</u>

The provision for deferred taxation is made up as follows:

	2013 £	2012 £
Accelerated capital allowances	<u>145,704</u>	<u>154,819</u>

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS **For the Year Ended 31 March 2013**

12. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
80,002 Ordinary shares of £1 each	80,002	80,002
	<u>80,002</u>	<u>80,002</u>

13. RESERVES

	Profit and loss account £
At 1 April 2012	1,872,006
Profit for the financial year	128,017
	<u>2,000,023</u>
At 31 March 2013	<u>2,000,023</u>

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Opening shareholders' funds	1,952,008	1,659,421
Profit for the financial year	128,017	292,587
	<u>2,080,025</u>	<u>1,952,008</u>
Closing shareholders' funds	<u>2,080,025</u>	<u>1,952,008</u>

15. CAPITAL COMMITMENTS

At 31 March 2013 the company had capital commitments as follows:

	2013 £	2012 £
Contracted for but not provided in these financial statements	270,000	275,000
	<u>270,000</u>	<u>275,000</u>

On 16 February 2010 the company entered into an agreement to purchase land at a cost of £350,000 with a completion date of 31 December 2013. To date the company has paid £80,000 which is included in prepayments.

16. TRANSACTIONS WITH THE DIRECTOR

At the year end the director, Mrs B Kiernan O'Donnell, owed the company £364,181 (2012 - £232,536). A repayment of £362,000 was made on 30 April 2013.

During the year the company made payments, on behalf of Mrs B Kiernan O'Donnell, of £20,645 (2012 - £37,847). In addition, Mrs B Kiernan O'Donnell made personal drawings of £111,000 (2012 - £154,000) during the year.

The loan balance has arisen from various payments made by the company on behalf of Mrs B Kiernan O'Donnell and monies withdrawn. There are no terms of interest or other conditions associated with the director's current account.

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS **For the Year Ended 31 March 2013**

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013	2012
	£	£
Operating profit	224,755	363,549
Depreciation of tangible fixed assets	197,281	179,697
Government grants	(930)	(930)
Increase in debtors	(130,804)	(249,481)
(Decrease)/increase in creditors	(66,197)	7,669
Net cash inflow from operating activities	224,105	300,504

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013	2012
	£	£
Returns on investments and servicing of finance		
Interest received	1,093	1,048
Interest paid	(39,623)	(41,862)
Net cash outflow from returns on investments and servicing of finance	(38,530)	(40,814)
	2013	2012
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(33,708)	(67,071)
	2013	2012
	£	£
Financing		
Repayment of loans	(143,512)	(141,272)

19. ANALYSIS OF CHANGES IN NET DEBT

	1 April	Cash flow	Other non-cash changes	31 March
	2012			2013
	£	£	£	£
Cash at bank and in hand	217,280	(78,191)	-	139,089
Bank overdraft	-	(1,355)	-	(1,355)
	217,280	(79,546)	-	137,734
Debt:				
Debts due within one year	(143,403)	143,512	(145,777)	(145,668)
Debts falling due after more than one year	(2,565,701)	-	145,777	(2,419,924)
Net debt	(2,491,824)	63,966	-	(2,427,858)