

KNOCKMOYLE LODGE LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 March 2015

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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 Street
Belfast
BT2 8EQ

BANKERS First Trust Bank
41 Main Street
Dromore
BT78 3AG

Santander
51 - 54 Gracechurch Street
London
EC3V 0EH

SOLICITORS Meyler McGuigan
40 John Street
Omagh
BT78 1DN

KNOCKMOYLE LODGE LIMITED

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KNOCKMOYLE LODGE LIMITED

STRATEGIC REPORT

For the Year Ended 31 March 2015

INTRODUCTION

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

BUSINESS REVIEW

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, profit before taxation and net assets.

The director is pleased with the results generated from the principal activity of the company during the year. Turnover has increased by 2.8% to £2.494 million (2014 - £2.426 million), with a gross profit margin of 89.6% (2014 - 89.0%) being achieved. This, along with a decrease in administrative expenses, has resulted in an increase in profits before tax from £365k in 2014 to £444k in 2015.

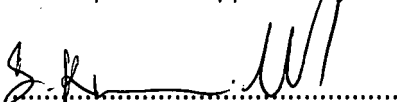
At the year end the company had net assets of £2.89 million (2014 - £1.99 million).

PRINCIPAL RISKS AND UNCERTAINTIES

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.

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



Mrs B Kiernan O'Donnell

Director

Date: 18-12-2015

KNOCKMOYLE LODGE LIMITED

DIRECTOR'S REPORT For the Year Ended 31 March 2015

The director presents her report and the financial statements for the year ended 31 March 2015.

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Strategic Report, 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.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £345,120 (2014 - £276,045).

The director has not recommended a dividend.

DIRECTOR

The director who served during the year was:

Mrs B Kiernan O'Donnell

KNOCKMOYLE LODGE LIMITED

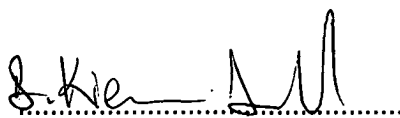
DIRECTOR'S REPORT
For the Year Ended 31 March 2015

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: 18-12-2015

36 Knockmoyle Road
Omagh
BT79 7TB

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

We have examined the abbreviated accounts set out on pages 5 to 22, together with the financial statements of Knockmoyle Lodge Limited for the year ended 31 March 2015 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 5 to 22 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 Street
Belfast
BT2 8EQ

18 December 2015

KNOCKMOYLE LODGE LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT**
For the Year Ended 31 March 2015

	Note	2015 £	2014 £
TURNOVER		<u>2,493,524</u>	<u>2,425,988</u>
GROSS PROFIT		2,309,487	2,233,648
Administrative expenses		<u>(1,768,832)</u>	<u>(1,799,093)</u>
OPERATING PROFIT	2	540,655	434,555
Interest receivable and similar income		178	583
Interest payable and similar charges		<u>(96,477)</u>	<u>(70,431)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		444,356	364,707
Tax on profit on ordinary activities	6	<u>(99,236)</u>	<u>(88,662)</u>
PROFIT FOR THE FINANCIAL YEAR	14	<u>345,120</u>	<u>276,045</u>

All amounts relate to continuing operations.

The notes on pages 10 to 22 form part of these financial statements.

KNOCKMOYLE LODGE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the Year Ended 31 March 2015

	2015 £	2014 £
PROFIT FOR THE FINANCIAL YEAR	345,120	276,045
Unrealised surplus on revaluation of investment properties	<u>548,637</u>	<u>-</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>893,757</u></u>	<u><u>276,045</u></u>

The notes on pages 10 to 22 form part of these financial statements.

KNOCKMOYLE LODGE LIMITED
Registered number: NI020708

ABBREVIATED BALANCE SHEET
As at 31 March 2015

	Note	£	2015 £	£	2014 £	£
FIXED ASSETS						
Tangible assets	7		4,609,938		5,305,852	
Investment property	8		<u>1,170,071</u>		<u>-</u>	
			5,780,009		5,305,852	
CURRENT ASSETS						
Debtors	9	391,743		268,590		
Cash at bank and in hand		<u>454,432</u>		<u>371,747</u>		
		846,175		640,337		
CREDITORS: amounts falling due within one year	10	<u>(1,399,331)</u>		<u>(1,476,160)</u>		
NET CURRENT LIABILITIES			<u>(553,156)</u>		<u>(835,823)</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			5,226,853		4,470,029	
CREDITORS: amounts falling due after more than one year	11		(2,201,080)		(2,339,917)	
PROVISIONS FOR LIABILITIES						
Deferred tax	12		<u>(137,945)</u>		<u>(136,041)</u>	
NET ASSETS			<u>2,887,828</u>		<u>1,994,071</u>	

KNOCKMOYLE LODGE LIMITED**ABBREVIATED BALANCE SHEET (continued)**
As at 31 March 2015

	Note	£	2015	£	£	2014	£
CAPITAL AND RESERVES							
Called up share capital	13			80,002			80,002
Investment property reserve	14			278,752			-
Profit and loss account	14			<u>2,529,074</u>			<u>1,914,069</u>
SHAREHOLDERS' FUNDS	15			<u>2,887,828</u>			<u>1,994,071</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: 18-12-2015

The notes on pages 10 to 22 form part of these financial statements.

KNOCKMOYLE LODGE LIMITED**ABBREVIATED CASH FLOW STATEMENT
For the Year Ended 31 March 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	22	498,111	543,468
Returns on investments and servicing of finance	23	(96,239)	(66,669)
Taxation		(136,311)	(62,280)
Capital expenditure and financial investment	23	(48,153)	(68,767)
CASH INFLOW BEFORE FINANCING		217,408	345,752
Financing	23	(134,723)	(111,739)
INCREASE IN CASH IN THE YEAR		82,685	234,013

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
For the Year Ended 31 March 2015**

	2015 £	2014 £
Increase in cash in the year	82,685	234,013
Cash outflow from decrease in debt and lease financing	<u>134,723</u>	<u>111,739</u>
MOVEMENT IN NET DEBT IN THE YEAR	217,408	345,752
Net debt at 1 April 2014	<u>(2,082,106)</u>	<u>(2,427,858)</u>
NET DEBT AT 31 MARCH 2015	<u>(1,864,698)</u>	<u>(2,082,106)</u>

The notes on pages 10 to 22 form part of these financial statements.

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS For the Year Ended 31 March 2015

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.

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of investment properties 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

1.4 Investment properties

Investment properties are included in the Balance Sheet at their open market value in accordance with Statement of Standard Accounting Practice No.19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the director, necessary in order to give a true and fair view of the financial position of the company.

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS For the Year Ended 31 March 2015

1. ACCOUNTING POLICIES (continued)

1.6 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.

1.7 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.

1.8 Pensions

The company operates a defined contribution pension scheme on behalf of certain employees. The pension charge represents the amounts payable by the company to the fund in respect of the year.

The company also contributes, on a money purchase basis, 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.

1.9 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.

1.10 Income from properties

Rental income 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):

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	130,862	199,367
- held under finance leases	2,827	-
Auditors' remuneration	11,000	10,800
Amortisation of government grants	(930)	(930)
Loss on sale of tangible fixed assets	<u>377</u>	<u>-</u>

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS For the Year Ended 31 March 2015

3. STAFF COSTS

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

	2015 £	2014 £
Wages and salaries	1,396,621	1,366,388
Social security costs	80,935	85,048
Other pension costs	5,159	2,000
	<u>1,482,715</u>	<u>1,453,436</u>

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

	2015 No.	2014 No.
Knockmoyle - number of management staff	1	1
Knockmoyle - number of other staff	47	42
Hillcrest - number of administrative staff	1	1
Hillcrest - number of other staff	76	81
	<u>125</u>	<u>125</u>

4. DIRECTOR'S REMUNERATION

	2015 £	2014 £
Remuneration	<u>27,600</u>	<u>27,600</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 (2014 - 1) in respect of defined contribution pension schemes.

5. INTEREST PAYABLE

	2015 £	2014 £
Interest payable on bank borrowings	<u>95,521</u>	<u>70,431</u>

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS **For the Year Ended 31 March 2015**

6. TAXATION

	2015 £	2014 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	97,332	103,676
Adjustments in respect of prior periods	-	(5,351)
Total current tax	<u>97,332</u>	<u>98,325</u>
Deferred tax		
Origination and reversal of timing differences	8,382	3,367
Effect of changed tax rate on opening liability	<u>(6,478)</u>	<u>(13,030)</u>
Total deferred tax (see note 12)	<u>1,904</u>	<u>(9,663)</u>
Tax on profit on ordinary activities	<u><u>99,236</u></u>	<u><u>88,662</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 21% (2014 - 23%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>444,356</u>	<u>364,707</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	93,315	83,883
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	12,818	18,942
Adjustments to tax charge in respect of prior periods	-	(5,351)
Origination and reversal of timing differences	<u>(8,801)</u>	<u>851</u>
Current tax charge for the year	<u><u>97,332</u></u>	<u><u>98,325</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS **For the Year Ended 31 March 2015**

7. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Hillview Lodge Property £	Total £
Cost					
At 1 April 2014	5,737,783	20,094	518,844	621,248	6,897,969
Additions	19,675	11,433	28,478	-	59,586
Disposals	-	(4,348)	(10,706)	-	(15,054)
Transfer to investment property	(413,308)	-	-	(621,248)	(1,034,556)
At 31 March 2015	<u>5,344,150</u>	<u>27,179</u>	<u>536,616</u>	<u>-</u>	<u>5,907,945</u>
Depreciation					
At 1 April 2014	870,774	11,864	439,594	269,885	1,592,117
Charge for the year	90,132	4,844	38,713	-	133,689
On disposals	-	(4,186)	(10,491)	-	(14,677)
Transfer to investment property	(143,237)	-	-	(269,885)	(413,122)
At 31 March 2015	<u>817,669</u>	<u>12,522</u>	<u>467,816</u>	<u>-</u>	<u>1,298,007</u>
Net book value					
At 31 March 2015	<u>4,526,481</u>	<u>14,657</u>	<u>68,800</u>	<u>-</u>	<u>4,609,938</u>
At 31 March 2014	<u>4,867,009</u>	<u>8,230</u>	<u>79,250</u>	<u>351,363</u>	<u>5,305,852</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2015 £	2014 £
Motor vehicles	<u>8,606</u>	<u>-</u>

Included in land and buildings is freehold land at a cost £830,000 (2014 - £830,000) which is not depreciated.

The aggregate amount of finance costs included in the cost of tangible fixed assets is £45,083 (2014 - £45,083).

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS **For the Year Ended 31 March 2015**

8. INVESTMENT PROPERTY

	Freehold investment property £
Valuation	
At 1 April 2014	-
Surplus on revaluation	548,637
Transfer from tangible fixed assets	<u>621,434</u>
At 31 March 2015	<u><u>1,170,071</u></u>
Revaluation reserves	
Net surplus in investment properties	<u>278,752</u>
At 31 March 2015	<u><u>278,752</u></u>

The 2015 valuations were made by the director, on an open market value for existing use basis. The historical cost of the investment properties at 31 March 2015 is £1,034,556.

9. DEBTORS

	2015 £	2014 £
Trade debtors	38,074	42,034
Other debtors	258,063	121,221
Prepayments and accrued income	95,606	105,335
	<u>391,743</u>	<u>268,590</u>

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the Year Ended 31 March 2015

10. CREDITORS:
Amounts falling due within one year

	2015	2014
	£	£
Bank loans and overdrafts	134,313	131,646
Hire purchase agreements	6,206	5,689
Trade creditors	24,265	43,513
Corporation tax	55,000	103,676
Other taxation and social security	5,848	17,418
Other creditors	1,149,335	1,147,349
Accruals and deferred income	24,365	26,869
	1,399,331	1,476,160

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

	2015	2014
	£	£
Bank loans and overdrafts	134,313	131,646
Hire purchase agreements	6,206	5,689
Total	140,519	137,335

The nature of the security is as disclosed in note 11.

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS **For the Year Ended 31 March 2015**

11. CREDITORS: **Amounts falling due after more than one year**

	2015 £	2014 £
Bank loans	2,165,681	2,297,382
Hire purchase agreements	12,930	19,136
Government grants received	22,469	23,399
	<u>2,201,080</u>	<u>2,339,917</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2015 £	2014 £
Between one and five years	<u>12,930</u>	<u>19,136</u>

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

	2015 £	2014 £
Bank loans	2,165,681	2,297,382
Hire purchase agreements	12,930	19,136
Total	<u>2,178,611</u>	<u>2,316,518</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.

Hire purchase agreements are secured on the assets acquired.

12. DEFERRED TAXATION

	2015 £	2014 £
At beginning of year	136,041	145,704
Charged/(released) during year	1,904	(9,663)
At end of year	<u>137,945</u>	<u>136,041</u>

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	138,076	136,041
Other timing differences	(131)	-
	<u>137,945</u>	<u>136,041</u>

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS **For the Year Ended 31 March 2015**

13. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
80,002- Ordinary shares of £1 each	<u>80,002</u>	<u>80,002</u>

14. RESERVES

	Investment property revaluation reserve £	Profit and loss account £
At 1 April 2014		1,914,069
Profit for the financial year		345,120
Movement on investment property	548,637	
Transfer between reserves	(269,885)	269,885
	<u>278,752</u>	<u>2,529,074</u>
At 31 March 2015		

On 31 March 2015 a transfer of £269,885 was made from the investment property revaluation reserve to the Profit and Loss Account. This transfer released depreciation previously charged on one of the investment properties held by the company, so that the difference between historic cost, that being £621,248, and the open market value of £900,000 reflects the closing balance in the revaluation reserve.

No such transfer was required for the other investment property held by the company as the carrying value of £270,071 is less than it's historic cost of £413,308.

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Opening shareholders' funds	1,994,071	2,080,026
Profit for the financial year	345,120	276,045
Dividends (note 17)	-	(362,000)
Other recognised gains and losses during the year	<u>548,637</u>	<u>-</u>
Closing shareholders' funds	<u>2,887,828</u>	<u>1,994,071</u>

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS For the Year Ended 31 March 2015

16. CAPITAL COMMITMENTS

At 31 March 2015 the company had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	<u>270,000</u>	<u>270,000</u>

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

17. DIVIDENDS

	2015 £	2014 £
Dividends paid on equity capital	<u>-</u>	<u>362,000</u>

18. TRANSACTIONS WITH THE DIRECTOR

At the year end the director, Mrs B Kiernan O'Donnell, owed the company £193,747 (2014 - £63,087).

During the year the company made payments, on behalf of Mrs B Kiernan O'Donnell, of £27,660 (2014 - £60,906). In addition, Mrs B Kiernan O'Donnell made personal drawings of £103,000 (2014 - £nil) during the year. No repayments were made 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.

19. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £3,159 (2014 - £nil). Contributions totalling £364 (2014 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

The company also 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. The pension cost charge represents contributions payable by the company and amounted to £2,000 (2014 - £2,000).

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS For the Year Ended 31 March 2015

20. RELATED PARTY TRANSACTIONS

Mrs B Kiernan O'Donnell is a director and majority shareholder in Springlawn House Limited and Hillview Lodge Limited, companies incorporated in Northern Ireland.

(i) Springlawn House Limited

At the balance sheet date £377,514 (2014 - £378,764) was due to Springlawn House Limited. The balance has arisen as a result of cash advances and payments made by Springlawn House Limited on behalf of the company.

(ii) Hillview Lodge Limited

Knockmoyle Lodge Limited owns a property which is occupied by Hillview Lodge Limited. Rentals charged to Hillview Lodge Limited during the year ended 31 March 2015 amounted to £75,000 (2014 - £75,000). In the opinion of the director the amount receivable in the current year in relation to rentals reflects an open market value.

During the year, Hillview Lodge Limited charged Knockmoyle Lodge Limited £50,573 (2014 - £43,536) for the preparation and supply of meals for the residents of Hillcrest Care Facility, a nursing home operating within Knockmoyle Lodge Limited.

In addition, an amount of £23,357 (2014 - £22,886) was recharged to Knockmoyle Lodge Limited, in relation to electricity costs incurred by Hillcrest Care Facility during the year. An amount of £2,727 (2014 - £2,011) was also recharged to Knockmoyle Lodge Limited from Hillview Lodge Limited in relation to water rates. These charges arise due to the fact that Hillview Lodge Limited and Hillcrest Care Facility share the same site.

At the balance sheet date £753,017 (2014 - £747,859) was due to Hillview Lodge Limited.

21. CONTROLLING PARTY

The company was under the control of Mrs B Kiernan O'Donnell throughout the current and prior year. Mrs B Kiernan O'Donnell is the managing director and sole shareholder.

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS **For the Year Ended 31 March 2015**

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating profit	540,655	434,555
Depreciation of tangible fixed assets	133,689	199,367
Loss on disposal of tangible fixed assets	377	-
Government grants	(930)	(930)
Increase in debtors	(144,283)	(42,767)
Decrease in creditors	(31,397)	(46,757)
Net cash inflow from operating activities	<u>498,111</u>	<u>543,468</u>

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

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	178	583
Interest paid	(95,461)	(67,252)
Hire purchase interest	(956)	-
Net cash outflow from returns on investments and servicing of finance	<u>(96,239)</u>	<u>(66,669)</u>

	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(48,153)</u>	<u>(68,767)</u>

	2015 £	2014 £
Financing		
Repayment of loans	(129,034)	(136,564)
Repayment of hire purchase agreements	(5,689)	24,825
Net cash outflow from financing	<u>(134,723)</u>	<u>(111,739)</u>

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the Year Ended 31 March 2015

24. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2014 £	Cash flow £	Other non-cash changes £	31 March 2015 £
Cash at bank and in hand	371,747	82,685	-	454,432
Debt:				
Hire purchase agreements	(24,825)	5,689	-	(19,136)
Debts due within one year	(131,646)	129,034	(131,701)	(134,313)
Debts falling due after more than one year	<u>(2,297,382)</u>	<u>-</u>	<u>131,701</u>	<u>(2,165,681)</u>
Net debt	<u><u>(2,082,106)</u></u>	<u><u>217,408</u></u>	<u><u>-</u></u>	<u><u>(1,864,698)</u></u>