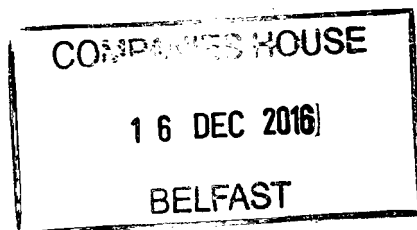


KNOCKMOYLE LODGE LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2016



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16/12/2016

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COMPANIES HOUSE

KNOCKMOYLE LODGE LIMITED

COMPANY INFORMATION

DIRECTOR B Kiernan O'Donnell

COMPANY SECRETARY Mr J O'Donnell

REGISTERED NUMBER NI020708

REGISTERED OFFICE 36 Knockmoyle Road
Omagh
BT79 7TB

INDEPENDENT AUDITORS GMcG BELFAST
Chartered Accountants & Statutory Auditor
Alfred House
19 Alfred Street
Belfast
BT2 8EQ

BANKERS First Trust Bank
8 High Street
Omagh
BT78 1BH

Santander
51-54 Gracechurch Street
London
EC3V 0EH

SOLICITORS Meyler McGuigan
11 High Street
Omagh
BT78 1BA

KNOCKMOYLE LODGE LIMITED

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KNOCKMOYLE LODGE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

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 3.5% to £2.580 million (2015 - £2.494 million), with a gross profit margin of 90.1% (2015 - 89.6%) being achieved. This, along with a decrease in administrative expenses, has resulted in an increase in profits before tax and fair value movements from £444k in 2015 to £473k in 2016. In the prior year the company recognised the fair value increase of £549k in relation to investment property, giving the company an overall profit before tax of £993k. There were no such fair value movements in the current year.

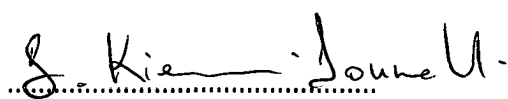
At the year end the company had net assets of £3.05 million (2015 - £2.89 million).

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.


.....
B Kiernan O'Donnell
Director

Date: 16/12/2016

KNOCKMOYLE LODGE LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2016

The director presents her report and the financial statements for the year ended 31 March 2016.

DIRECTOR

The director who served during the year was:

B Kiernan O'Donnell

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £366,432 (2015 - £893,757).

During the year the director recommended a dividend of £200,000 (2015 - £nil).

CHANGE IN FINANCIAL REPORTING FRAMEWORK

This is the first set of financial statements prepared by the Company in accordance with accounting standards issued by the Financial Reporting Council, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). The Company transitioned from previously extant Irish and UK GAAP to FRS 102 as at 1 April 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in the notes to the Financial Statements.

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Strategic Report, the Director's Report and the abbreviated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless she is satisfied that she gives 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 for the company's financial statements 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.

KNOCKMOYLE LODGE LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

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.

POST BALANCE SHEET EVENTS

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

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



B Kiernan O'Donnell
Director

Date: 16/12/2016

36 Knockmoyle Road
Omagh
BT79 7TB

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

We have examined the abbreviated financial statements, which comprise the Abbreviated Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows and the related notes, together with the financial statements of Knockmoyle Lodge Limited for the year ended 31 March 2016 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 DIRECTORS AND AUDITORS

The director is responsible for preparing the abbreviated financial statements 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 financial statements to the Registrar of Companies and whether the abbreviated financial statements 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 financial statements and that the abbreviated financial statements are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated financial statements which comprise the Abbreviated Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows and the related notes 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
GMcG BELFAST

Chartered Accountants
Statutory Auditor

Alfred House
19 Alfred Street
Belfast
BT2 8EQ

16 December 2016

KNOCKMOYLE LODGE LIMITED

ABBREVIATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
Turnover		2,580,242	2,493,524
Cost of sales		(255,945)	(259,037)
GROSS PROFIT		2,324,297	2,234,487
Administrative expenses		(1,839,444)	(1,768,832)
Other operating income		80,500	75,000
Fair value movements	12	-	548,637
OPERATING PROFIT	5	565,353	1,089,292
Interest receivable and similar income	8	246	178
Interest payable and expenses	9	(92,152)	(96,477)
PROFIT BEFORE TAX		473,447	992,993
Tax on profit	10	(107,015)	(99,236)
PROFIT FOR THE YEAR		366,432	893,757

There were no recognised gains and losses for 2016 or 2015 other than those included in the abbreviated statement of comprehensive income.

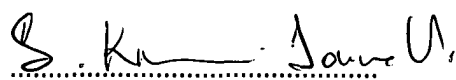
There was no other comprehensive income for 2016 (2015 - £NIL).

KNOCKMOYLE LODGE LIMITED
REGISTERED NUMBER: NI020708

ABBREVIATED BALANCE SHEET
AS AT 31 MARCH 2016

	Note	2016 £	2016 £	2015 £	2015 £
FIXED ASSETS					
Tangible assets	13		4,509,947		4,609,938
Investment property	14		1,170,071		1,170,071
			<u>5,680,018</u>		<u>5,780,009</u>
CURRENT ASSETS					
Debtors: amounts falling due within one year	15	309,825		391,743	
Cash at bank and in hand	16	640,976		454,432	
		<u>950,801</u>		<u>846,175</u>	
Creditors: amounts falling due within one year	17	(1,376,213)		(1,399,331)	
NET CURRENT LIABILITIES			<u>(425,412)</u>		<u>(553,156)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,254,606</u>		<u>5,226,853</u>
Creditors: amounts falling due after more than one year	18		(2,057,405)		(2,201,080)
PROVISIONS FOR LIABILITIES					
Deferred tax	22	(142,941)		(137,945)	
			<u>(142,941)</u>		<u>(137,945)</u>
NET ASSETS			<u>3,054,260</u>		<u>2,887,828</u>
CAPITAL AND RESERVES					
Called up share capital	23		80,002		80,002
Profit and loss account	24		2,974,258		2,807,826
			<u>3,054,260</u>		<u>2,887,828</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:


 B Kiernan O'Donnell

Director

Date: 16/12/2016

The notes on pages 9 to 26 form part of these financial statements.

KNOCKMOYLE LODGE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital	Investment property revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2015 (as previously stated)	80,002	278,752	2,529,074	2,887,828
Prior year adjustment	-	(278,752)	278,752	-
At 1 April 2015 (as restated)	80,002	-	2,807,826	2,887,828
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	366,432	366,432
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	366,432	366,432
Dividends: Equity capital	-	-	(200,000)	(200,000)
TOTAL TRANSACTIONS WITH OWNERS	-	-	(200,000)	(200,000)
AT 31 MARCH 2016	80,002	-	2,974,258	3,054,260

The prior year adjustment relates to the impact of the transition to FRS 102 from previously extant UK GAAP.

Further details of adjustments on transition to FRS 102 are disclosed in note 3.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2014	80,002	1,914,069	1,994,071
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	893,757	893,757
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	893,757	893,757
TOTAL TRANSACTIONS WITH OWNERS	-	-	-
AT 31 MARCH 2015	80,002	2,807,826	2,887,828

The notes on pages 9 to 26 form part of these financial statements.

KNOCKMOYLE LODGE LIMITED**ABBREVIATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 £	2015 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	366,432	893,757
ADJUSTMENTS FOR:		
Fair value movements	-	(548,637)
Depreciation of tangible assets	121,412	133,689
Loss on disposal of tangible assets	-	377
Government grants	(930)	(930)
Interest paid	92,152	96,477
Interest received	(246)	(178)
Taxation	107,015	99,236
Increase in debtors	(16,655)	(13,624)
Decrease in creditors	(719)	(31,397)
Corporation tax	(127,569)	(136,310)
NET CASH GENERATED FROM OPERATING ACTIVITIES	540,892	492,460
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(21,422)	(48,153)
Interest received	246	178
HP interest paid	(1,043)	(956)
Loans to directors	(101,426)	(130,660)
NET CASH FROM INVESTING ACTIVITIES	(123,645)	(179,591)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans	(132,665)	(129,034)
Repayment of hire purchase agreements	(6,206)	(5,689)
Interest paid	(91,832)	(95,461)
NET CASH USED IN FINANCING ACTIVITIES	(230,703)	(230,184)
Cash and cash equivalents at beginning of year	454,432	371,747
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	640,976	454,432
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	640,976	454,432
	640,976	454,432

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. GENERAL INFORMATION

The principal activity of the company during the year was the provision of nursing care for elderly persons. The entity is a limited liability company incorporated in Northern Ireland. The company's principal place of business is its registered office at 36 Knockmoyle Road, Omagh, BT79 7TB.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated financial statements have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 3.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 4).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Tangible fixed assets

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

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using both the straight line method and the reducing balance basis.

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.4 Investment property

Investment property is carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.5 Debtors

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

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

2. ACCOUNTING POLICIES (CONTINUED)

2.7 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Creditors

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

2.9 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.12 Leased assets: the company as lessee

Assets obtained under hire purchase contract 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 Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.13 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.14 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

2.15 Interest income

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

2.16 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.

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.17 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.

2.18 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

KNOCKMOYLE LODGE LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

3. FIRST TIME ADOPTION OF FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2014. The impact of the transition to FRS 102 is as follows:

	Note	As previously stated 1 April 2014 £	Effect of transition 1 April 2014 £	FRS 102 (as restated) 1 April 2014 £	As previously stated 31 March 2015 £	Effect of transition 31 March 2015 £	FRS 102 (as restated) 31 March 2015 £
Fixed assets		5,305,852	-	5,305,852	5,780,009	-	5,780,009
Current assets		640,336	-	640,336	846,174	-	846,174
Creditors: amounts falling due within one year		(1,476,160)	-	(1,476,160)	(1,399,331)	-	(1,399,331)
NET CURRENT LIABILITIES		(835,824)	-	(835,824)	(553,157)	-	(553,157)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,470,028	-	4,470,028	5,226,852	-	5,226,852
Creditors: amounts falling due after more than one year		(2,339,917)	-	(2,339,917)	(2,201,079)	-	(2,201,079)
Provisions for liabilities		(136,041)	-	(136,041)	(137,945)	-	(137,945)
NET ASSETS		1,994,070	-	1,994,070	2,887,828	-	2,887,828
Capital and reserves	2	1,994,070	-	1,994,070	2,887,828	-	2,887,828

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

3. FIRST TIME ADOPTION OF FRS 102 (CONTINUED)

		As previously stated 31 March 2015 £	Effect of transition 31 March 2015 £	FRS 102 (as restated) 31 March 2015 £
Turnover		2,493,524	-	2,493,524
Cost of sales		(259,037)	-	(259,037)
		2,234,487	-	2,234,487
Administrative expenses		(1,768,832)	-	(1,768,832)
Other operating income	1	75,000	548,637	623,637
OPERATING PROFIT		540,655	548,637	1,089,292
Interest receivable and similar income		178	-	178
Interest payable and similar charges		(96,477)	-	(96,477)
Taxation		(99,236)	-	(99,236)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL YEAR		<u>345,120</u>	<u>548,637</u>	<u>893,757</u>

Explanation of changes to previously reported profit and equity:

- 1 Under previously extant UK GAAP, changes in the open market value of investment properties were recorded in the Statement of Total Recognised Gains and Losses and included in an investment property revaluation reserve. FRS 102 requires changes in fair value to be recognised in the Statement of Comprehensive Income and included in the profit and loss account reserve. As a result of this change in treatment, an amount of £548,637 which was included in the Statement of Total Recognised Gains and Losses in the prior year has now been recognised in the Statement of Comprehensive Income in that year.
- 2 The amount of £278,752 recognised in the investment property revaluation reserve at 31 March 2015 has been transferred to the profit and loss account reserve. This adjustment has not affected the overall capital and reserves of the company at 31 March 2015.

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

4. JUDGMENTS IN APPLYING ACCOUNTING POLICIES 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 for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following are the company's key sources of estimation uncertainty:

Fixed Assets - The annual depreciation charge on fixed assets depends primarily on the estimated lives of each type of asset and estimates of residual values. The director regularly reviews these asset lives and changes them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have a significant impact on depreciation and amortisation charges for the period. Detail of the useful lives is included in the accounting policies.

Investment Property - The director made key assumptions in the determination of the fair value of an investment property in respect of the state of the property market in the location where the property is situated and in respect of the range of reasonable fair value estimates of the asset.

Debtors - Short term debtors are measured at transaction price, less any impairment. Impairment of such debtors involves some estimation uncertainty.

Taxation - Judgements are made in relation to the calculation of certain aspects of the year end tax provisions and the respective tax charge. The management used external professional advice to support the year end provisions.

5. OPERATING PROFIT

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	121,413	133,689
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	11,000	11,000
Defined contribution pension cost	9,885	5,159
	<u> </u>	<u> </u>

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

6. EMPLOYEES

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

	2016	2015
	£	£
Wages and salaries	1,472,475	1,396,621
Social security costs	81,469	80,935
Cost of defined contribution scheme	9,885	5,159
	<u>1,563,829</u>	<u>1,482,715</u>

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

	2016	2015
	No.	No.
Knockmoyle - number of management staff	1	1
Knockmoyle - number of other staff	49	47
Hillcrest - number of administrative staff	1	1
Hillcrest - number of other staff	79	76
	<u>130</u>	<u>125</u>

7. DIRECTOR'S REMUNERATION

	2016	2015
	£	£
Director's emoluments	27,600	27,600
Company contributions to defined contribution pension schemes	2,000	2,000
	<u>29,600</u>	<u>29,600</u>

During the year retirement benefits were accruing to 1 director (2015 -1) in respect of defined contribution pension schemes.

8. INTEREST RECEIVABLE

	2016	2015
	£	£
Other interest receivable	246	178
	<u>246</u>	<u>178</u>

KNOCKMOYLE LODGE LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
Bank interest payable	91,109	95,521
Finance leases and hire purchase contracts	1,043	956
	<u>92,152</u>	<u>96,477</u>

10. TAXATION

	2016 £	2015 £
CORPORATION TAX		
Current tax on profits for the year	102,019	97,332
TOTAL CURRENT TAX	<u>102,019</u>	<u>97,332</u>
DEFERRED TAX		
Origination and reversal of timing differences - current year	4,938	8,382
Origination and reversal of timing differences - prior year	58	-
Effect of changed tax rate on opening balance	-	(6,478)
TOTAL DEFERRED TAX	<u>4,996</u>	<u>1,904</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>107,015</u>	<u>99,236</u>

KNOCKMOYLE LODGE LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016****10. TAXATION (CONTINUED)****FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2015 -lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	473,447	992,993
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 -21%)	94,689	208,529
EFFECTS OF:		
Expenses not deductible / (credits not chargeable) for tax purposes, other than goodwill amortisation and impairment	12,268	(102,396)
Adjustments to tax charge in respect of previous periods	58	-
Effect of changes in corporation tax rates	-	(6,897)
TOTAL TAX CHARGE FOR THE YEAR	107,015	99,236

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Reductions in the UK corporation tax rate to 19% from 1 April 2017 and 18% from 1 April 2020, were substantively enacted on 26 October 2015. A further reduction to 17% from 1 April 2020 has been announced but has not been substantively enacted.

11. DIVIDENDS

	2016 £	2015 £
Dividends paid on equity capital	200,000	-
	200,000	-

12. FAIR VALUE MOVEMENTS

	2016 £	2015 £
Fair value movements on investment property	-	548,637
	-	548,637

The fair value movements in the prior year represent the revaluation of investment property.

KNOCKMOYLE LODGE LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

13. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
COST OR VALUATION				
At 1 April 2015	5,344,150	27,179	536,616	5,907,945
Additions	-	-	21,422	21,422
Disposals	-	-	(3,298)	(3,298)
At 31 March 2016	5,344,150	27,179	554,740	5,926,069
DEPRECIATION				
At 1 April 2015	817,669	12,522	467,816	1,298,007
Charge for period on owned assets	90,132	1,512	27,617	119,261
Charge for period on financed assets	-	2,152	-	2,152
Disposals	-	-	(3,298)	(3,298)
At 31 March 2016	907,801	16,186	492,135	1,416,122
NET BOOK VALUE				
At 31 March 2016	4,436,349	10,993	62,605	4,509,947
At 31 March 2015	4,526,481	14,657	68,800	4,609,938

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

	2016 £	2015 £
Motor vehicles	6,455	8,606
	6,455	8,606

Included in land and buildings is freehold land at a cost of £830,000 (2015 - £830,000) which is not depreciated.

The aggregate amount of finance costs included in the cost of tangible fixed assets is £45,083 (2015 - £45,083).

KNOCKMOYLE LODGE LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

14. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 April 2015	1,170,071
AT 31 MARCH 2016	<u>1,170,071</u>

The 2016 valuations were made by the director who is not a professionally qualified valuer, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2016 £	2015 £
Historic cost	1,034,556	1,034,556
	<u>1,034,556</u>	<u>1,034,556</u>

15. DEBTORS

	2016 £	2015 £
Trade debtors	40,441	38,074
Other debtors	159,490	258,063
Prepayments and accrued income	109,894	95,606
	<u>309,825</u>	<u>391,743</u>

16. CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	640,976	454,432
	<u>640,976</u>	<u>454,432</u>

KNOCKMOYLE LODGE LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016****17. CREDITORS: Amounts falling due within one year**

	2016	2015
	£	£
Bank loans	138,187	134,313
Trade creditors	31,210	24,264
Corporation tax	29,450	55,000
Taxation and social security	9,044	5,848
Hire purchase agreements	6,206	6,206
Other creditors	1,136,935	1,149,335
Accruals and deferred income	25,181	24,365
	<u>1,376,213</u>	<u>1,399,331</u>

Secured loans

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.

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

	2016	2015
	£	£
Bank loans	2,029,143	2,165,681
Hire purchase agreements	6,723	12,930
Government grants received	21,539	22,469
	<u>2,057,405</u>	<u>2,201,080</u>

Secured loans

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.

KNOCKMOYLE LODGE LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016****19. LOANS**

Analysis of the maturity of loans is given below:

	2016 £	2015 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	138,187	134,313
	138,187	134,313
AMOUNTS FALLING DUE 2-5 YEARS		
Bank loans	2,029,143	2,165,681
	2,029,143	2,165,681
	2,167,330	2,299,994

20. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Within one year	6,206	6,206
Between 1-2 years	6,206	6,206
Between 2-5 years	517	6,724
	12,929	19,136

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

21. FINANCIAL INSTRUMENTS

	2016 £	2015 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	640,976	454,432
Financial assets that are debt instruments measured at amortised cost	199,932	296,137
	<u>840,908</u>	<u>750,569</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(3,360,658)	(3,497,958)
	<u>(3,360,658)</u>	<u>(3,497,958)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, other creditors and accruals.

22. DEFERRED TAXATION

	2016 £
At beginning of year	137,945
Charged to the profit or loss	4,996
AT END OF YEAR	<u>142,941</u>

The provision for deferred taxation is made up as follows:

	2016 £
Excess of taxation allowances over depreciation on fixed assets	142,941
	<u>142,941</u>

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

23. SHARE CAPITAL

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
80,002 Ordinary shares of £1 each	80,002	80,002

24. RESERVES

Profit and loss account

The profit and loss account represents the retained earnings of the company and includes non-distributable reserves of £278,752.

25. CAPITAL COMMITMENTS

At 31 March 2016 the company had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	255,500	270,000
	255,500	270,000

On 16 February 2010 the company entered into an agreement to purchase land at a cost of £350,000 with an undertermined completion date. To date the company has paid £94,500 which is included in prepayments.

26. 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 £7,885 (2015 - £3,159). Contributions totalling £279 (2015 - £364) 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 (2015 - £2,000).

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

27. TRANSACTIONS WITH DIRECTORS

At the year end the director, Mrs B Kiernan O'Donnell, owed the company £95,173 (2015 - £193,747). During the year the company made payments, on behalf of Mrs B Kiernan O'Donnell, of £93,426 (2015 - £27,660). In addition, Mrs B Kiernan O'Donnell made personal drawings of £8,000 (2015 - £103,000) during the year. A repayment of £200,000 was 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.

28. 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 £346,434 (2015 - £377,514) 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. The balance is repayable on demand and no interest is charged on outstanding amounts.

(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 2016 amounted to £75,000 (2015 - £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 £44,245 (2015 - £50,573) 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 £22,826 (2015 - £23,357) was recharged to Knockmoyle Lodge Limited, in relation to electricity costs incurred by Hillcrest Care Facility during the year. An amount of £1,818 (2015 - £2,727) 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 £737,275 (2015 - £753,017) was due to Hillview Lodge Limited. The balance is repayable on demand and no interest is charged on outstanding amounts.

(iii) Key management personnel

Key management includes the director of the company. Salaries totalling £27,600 (2015 - £27,600) were paid to key management personnel during the year.

29. 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.