Company registration number NI020708 (Northern Ireland)

KNOCKMOYLE LODGE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

KNOCKMOYLE LODGE LIMITED

COMPANY INFORMATION

Director	Mrs B Kiernan O'Donnell
Secretary	Mr J O'Donnell
Company number	NI020708
Registered office	36 Knockmoyle Road Omagh Co Tyrone BT79 7TB
Auditor	GMcG BELFAST Chartered Accountants & Statutory Auditor Alfred House 19 Alfred Street Belfast BT2 8EQ
Business address	23b Old Mountfield Road Omagh Co Tyrone BT79 7EL
Bankers	Santander 51-54 Gracechurch Street London EC3V 0EH Danske Bank Donegall Square West Belfast BT1 6JS
Solicitors	Meyler McGuigan 11 High Street Omagh Co Tyrone BT78 1BA

KNOCKMOYLE LODGE LIMITED

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KNOCKMOYLE LODGE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The director presents the strategic report for the year ended 30 September 2023.

Business Review

The principal activity of the company was previously the provision of nursing care for elderly persons up until April 2022 when the company sold its two nursing homes. The company continues to hold an investment property and land, and the director is currently considering the future options for the company.

The company's key performance indicator is net assets and at the year end the company had net assets of £5.9m (2022 - £ 5.9m).

Principal Risks and Uncertainties

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. The most significant risks to which the company is exposed are fluctuations in property valuations and the impact of inflation on cash reserves.

On behalf of the board

Mrs B Kiernan O'Donnell
Director

26 June 2024

KNOCKMOYLE LODGE LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The director presents her annual report and financial statements for the year ended 30 September 2023.

Director
The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mrs B Kiernan O'Donnell

Results and dividends
The results for the year are set out on page 10.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Auditor
The auditor, GMcG BELFAST, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of director's responsibilities
The director is responsible for preparing the annual 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 judgements 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 them 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.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mrs B Kiernan O'Donnell
Director

26 June 2024

GMCG

KNOCKMOYLE LODGE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF KNOCKMOYLE LODGE LIMITED

Opinion

We have audited the financial statements of Knockmoyle Lodge Limited (the 'company') for the year ended 30 September 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

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Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing potential risks of material misstatement in respect of irregularities, including fraud and non-compliances with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance, including the company's remuneration policies for directors, bonus levels and performance targets, if any;
- Results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- Any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
    - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instance of non-compliance;
    - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
    - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures. we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, and local tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

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Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with tax authorities; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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Use of our report

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

Mr Nigel Moore FCA
Senior Statutory Auditor
For and on behalf of GMcG BELFAST

26 June 2024

Chartered Accountants
Statutory Auditor

Chartered Accountants & Statutory Auditor

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KNOCKMOYLE LODGE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	Continuing operations £	Discontinued operations £	Year ended 30 September 2023 £	Continuing operations £	Discontinued operations £	Period ended 30 September 2022 £
Turnover	3	-	-	-	-	3,462,529	3,462,529
Cost of sales		-	-	-	-	(280,533)	(280,533)
Administrative expenses		(10,770)	-	(10,770)	(21,367)	(2,862,227)	(2,883,594)
Other operating income		16,544	-	16,544	22,500	258,288	280,788
Operating profit	4	5,774	-	5,774	1,133	578,057	579,190
Interest receivable and similar income	7	51,328	-	51,328	9,547	-	9,547
Interest payable and similar expenses	8	-	-	-	(35,595)	-	(35,595)
Profit/(loss) on disposal of operations - Disposal of a nursing home		-	-	-	-	123,037	123,037
Profit before taxation		57,102	-	57,102	(24,915)	701,094	676,179
Tax on profit	9	(13,117)	-	(13,117)	1,398	84,853	86,251
Profit for the financial year		43,985	-	43,985	(23,517)	785,947	762,430

KNOCKMOYLE LODGE LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	**11**		475,159		475,671
Investment property	**12**		270,071		270,071
			745,230		745,742
Current assets					
Debtors falling due after more than one year	**13**	142,655		184,861	
Debtors falling due within one year	**13**	364,123		270,923	
Cash at bank and in hand		5,501,440		5,989,065	
		6,008,218		6,444,849	
Creditors: amounts falling due within one year	**14**	(825,215)		(1,306,343)	
Net current assets			5,183,003		5,138,506
Net assets			5,928,233		5,884,248
Capital and reserves					
Called up share capital	**16**		80,002		80,002
Profit and loss reserves	**17**		5,848,231		5,804,246
Total equity			5,928,233		5,884,248

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved and signed by the director and authorised for issue on 26 June 2024

Mrs B Kiernan O'Donnell
Director

Company registration number NI020708 (Northern Ireland)

KNOCKMOYLE LODGE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2021	80,002	5,041,816	5,121,818
Period ended 30 September 2022:			
Profit and total comprehensive income	-	762,430	762,430
Balance at 30 September 2022	80,002	5,804,246	5,884,248
Period ended 30 September 2023:			
Profit and total comprehensive income	-	43,985	43,985
Balance at 30 September 2023	80,002	5,848,231	5,928,233

KNOCKMOYLE LODGE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22		(462,107)		916,307
Interest paid			-		(42,537)
Income taxes paid			(62,454)		(116,517)
Net cash (outflow)/inflow from operating activities			(524,561)		757,253
Investing activities					
Proceeds of disposal of business		-		123,037	
Purchase of tangible fixed assets		-		(368,271)	
Proceeds on disposal of tangible fixed assets		-		4,522,645	
Receipts arising from loans made		-		3,131	
Interest received		36,936		954	
Net cash generated from investing activities			36,936		4,281,496
Financing activities					
Repayment of bank loans		-		(1,249,228)	
Net cash used in financing activities			-		(1,249,228)
Net (decrease)/increase in cash and cash equivalents			(487,625)		3,789,521
Cash and cash equivalents at beginning of year			5,989,065		2,199,544
Cash and cash equivalents at end of year			5,501,440		5,989,065

1 Accounting policies

Company information

Knockmoyle Lodge Limited is a private company limited by shares incorporated in Northern Ireland. The company's principal place of business is 23b Old Mountfield Road, Omagh, BT79 7EL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The company continues to hold an investment property and land, and the director is currently considering the future options for the company.

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Not depreciated
Motor vehicles	25% reducing balance

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1 Accounting policies (Continued)

1.5 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 **Accounting policies (Continued)**

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies (Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies (Continued)

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 **Judgements and key sources of estimation uncertainty (Continued)**

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

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 makes 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.

3 **Turnover and other revenue**

	2023	2022
	£	£
Turnover analysed by class of business		
Provision of care services for the elderly	-	3,450,029
Recharge for supply and preparation of meals	-	12,500
	-	3,462,529

	2023	2022
	£	£
Other revenue		
Interest income	51,328	9,547
Grants received	-	257,160
Rental income arising from investment properties	15,000	22,500

All turnover arose within the United Kingdom.

4 Operating profit

Operating profit for the period is stated after charging/(crediting):	2023 £	2022 £
Government grants	-	(257,160)
Fees payable to the company's auditor for the audit of the company's financial statements	6,000	5,500
Depreciation of owned tangible fixed assets	512	124,209

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Administrative staff	-	1
Nursing and other staff	-	90
Management staff	-	1
Total	-	92

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	-	2,322,023
Social security costs	-	155,322
Pension costs	-	37,252
	-	2,514,597

6 Director's remuneration

	2023 £	2022 £
Remuneration for qualifying services	-	28,335
Company pension contributions to defined contribution schemes	-	640
	-	28,975

7 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	36,423	953
Other interest income	14,905	8,594
Total income	51,328	9,547

	2023	2022
Investment income includes the following:	£	£
Interest on financial assets not measured at fair value through profit or loss	36,423	953

8 Interest payable and similar expenses

	2023	2022
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	35,595

9 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	13,117	61,066
Deferred tax		
Origination and reversal of timing differences	-	(147,317)
Total tax charge/(credit)	13,117	(86,251)

9 Taxation (Continued)

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£	£
Profit before taxation	57,102	676,179
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2022: 19.00%)	14,276	128,474
Tax effect of income not taxable in determining taxable profit	823	(215,314)
Change in unrecognised deferred tax assets	(4)	775
Effect of change in corporation tax rate	(1,807)	(186)
Tax at marginal rate	(171)	-
Taxation charge/(credit) for the period	13,117	(86,251)

10 Discontinued operations

Disposal of a nursing home

On 14 April 2022, the company sold its two nursing homes, comprising the business, property and fixtures and fittings.

11 Tangible fixed assets

	Freehold land and buildings	Motor vehicles	Total
	£	£	£
Cost			
At 1 October 2022 and 30 September 2023	474,130	27,179	501,309
Depreciation and impairment			
At 1 October 2022	-	25,638	25,638
Depreciation charged in the year	-	512	512
At 30 September 2023	-	26,150	26,150
Carrying amount			
At 30 September 2023	474,130	1,029	475,159
At 30 September 2022	474,130	1,541	475,671

Included in land and buildings is freehold land at a cost of £474,130 (2022 - £474,130) which is not depreciated.

12 Investment property

	2023
	£
Fair value	
At 1 October 2022 and 30 September 2023	270,071

The 2023 valuations were made by the director who is not a professionally qualified valuer, on an open market value for existing use basis.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2023	2022
	£	£
Cost	413,308	413,308
Accumulated depreciation	(221,765)	(213,499)
Carrying amount	191,543	199,809

The carrying value of land and buildings comprises:

	2023	2022
	£	£
Freehold	270,071	270,071

13 Debtors

	2023	2022
Amounts falling due within one year:	£	£
Trade debtors	-	14,680
Other debtors	364,123	256,243
	364,123	270,923

	2023	2022
Amounts falling due after more than one year:	£	£
Other debtors	142,655	184,861
Total debtors	506,778	455,784

14 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	-	3,912
Corporation tax	11,795	61,132
Other creditors	782,434	1,210,313
Accruals and deferred income	30,986	30,986
	825,215	1,306,343

15 Retirement benefit schemes

Defined contribution schemes	2023 £	2022 £
Charge to profit or loss in respect of defined contribution schemes	-	37,252

16 Share capital

Ordinary share capital	2023 Number	2022 Number	2023 £	2022 £
Issued and fully paid				
Ordinary shares of £1 each	80,002	80,002	80,002	80,002

17 Profit and loss reserves

The profit and loss account represents the retained earnings of the company that are available for distribution.

18 Financial commitments, guarantees and contingent liabilities

The company has provided security of £1m in relation to a personal loan of the director.

19 Related party transactions

Transactions with related parties
During the year the company entered into the following transactions with related parties:

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

Springlawn House Limited
During the year, Knockmoyle Lodge Limited made payments to Springlawn House Limited of £700,000 and Springlawn House Limited made payments on behalf of Knockmoyle Lodge Limited of £5,000 (2022 - £nil).

At the balance sheet date £303,470 was due from (2022 - £391,530 due to) Springlawn House Limited. The balance is repayable on demand and no interest is charged on outstanding amounts.

Hillview Lodge Limited
During the year, Hillview Lodge Limited made payments on behalf of Knockmoyle Lodge Limited of £9,500 (2022 - £3,214).

At the balance sheet date £719,439 (2022 - £709,939) was due to Hillview Lodge Limited. The balance is repayable on demand and no interest is charged on outstanding amounts.

Other
An amount due from the company to a partnership at the year end was £50,000 (2022 - £50,000). The partnership is a related party as the husband of the director is a partner. The balance is repayable on demand and no interest is charged on outstanding amounts.

Key management personnel
Key management includes the director of the company. No remuneration was paid to key management personnel during the year.

20 Directors' transactions

At the beginning of the period the company owed the director £13,028. During the year repayments of £6,002 were made to the director. At the balance sheet date an amount of £7,006 was due to the director from the company.

There are no terms of interest or other conditions associated with the director's current account and it is considered to be repayable on demand.

The company has provided security of £1m in relation to a personal loan of the director.

21 Ultimate 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.

22 Cash (absorbed by)/generated from operations

	2023	2022
	£	£
Profit for the year after tax	43,985	762,430
Adjustments for:		
Taxation charged/(credited)	13,117	(86,251)
Finance costs	-	35,595
Investment income	(51,328)	(9,547)
Gain on disposal of business	-	(123,037)
Depreciation and impairment of tangible fixed assets	512	124,209
Movements in working capital:		
(Increase)/decrease in debtors	(36,602)	304,851
Decrease in creditors	(431,791)	(91,943)
Cash (absorbed by)/generated from operations	(462,107)	916,307

23 Analysis of changes in net funds

	1 October 2022	Cash flows	30 September 2023
	£	£	£
Cash at bank and in hand	5,989,065	(487,625)	5,501,440

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