

REGISTERED NUMBER: SC106549 (Scotland)

**STRATEGIC REPORT, DIRECTORS' REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018
FOR
GATE HEALTHCARE LIMITED**

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FOR THE YEAR ENDED 30 JUNE 2018

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GATE HEALTHCARE LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2018

DIRECTORS:

C E Rhodes
J G Walker

REGISTERED OFFICE:

Tribune Court
2 Roman Road
Bearsden
Glasgow
G61 2SW

REGISTERED NUMBER:

SC106549 (Scotland)

AUDITORS:

Consilium Audit Limited (Statutory Auditor)
169 West George Street
Glasgow
G2 2LB

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

The directors present their strategic report for the year ended 30 June 2018.

REVIEW OF BUSINESS

Gate Healthcare Limited owns and operates three care homes. The Company's strategy is to operate a portfolio of efficient and well run care homes, serving the needs of the growing ageing population.

KEY PERFORMANCE INDICATORS

Turnover has increased compared to the prior period from £4.22m to £4.42m. The Company has experienced a decrease in operating profit from £393k to £302k due to its ongoing investment in the homes.

At the year end the Company had shareholders funds of £4.93m (2017: £4.69m) including distributable profits of £4.93m (2017: £4.69m). The directors therefore believe the Company's position to be satisfactory.

OUTLOOK

The Company's outlook is very positive, with all homes performing well and ongoing improvement projects underway to further enhance our services.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have assessed the main risk facing the Company as being the competition from other companies within the local market. The directors believe that the reputation of the Company and the quality of the service provided will mitigate this risk.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company finances its operations through its retained profits. Management's objective is to retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due.

Hedge accounting is not used by the Company.

ON BEHALF OF THE BOARD:

C E Rhodes - Director

23 October 2018

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

The directors present their report with the financial statements of the Company for the year ended 30 June 2018.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was the operation of residential nursing care facilities.

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2018.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2017 to the date of this report.

C E Rhodes

J G Walker

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are 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 directors are 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 directors are 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. They are 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

The auditors, Consilium Audit Limited (Statutory Auditor), will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

C E Rhodes - Director

23 October 2018

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GATE HEALTHCARE LIMITED**

Opinion

We have audited the financial statements of Gate Healthcare Limited (the 'Company') for the year ended 30 June 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of 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 June 2018 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 Auditors' 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Directors' Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' 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 Directors' Report.

We have nothing to report in respect of the following matters where 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GATE HEALTHCARE LIMITED**

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are 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 directors determine 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 directors are 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the Company's members, as a body, 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 members those matters we are required to state to them in a Report of the Auditors 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

David Holt (Senior Statutory Auditor)
for and on behalf of Consilium Audit Limited (Statutory Auditor)
169 West George Street
Glasgow
G2 2LB

23 October 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

		2018	2017
	Notes	£	£
TURNOVER		4,421,479	4,221,377
Cost of sales		<u>3,130,511</u>	<u>2,849,362</u>
GROSS PROFIT		1,290,968	1,372,015
Administrative expenses		<u>988,549</u>	<u>979,238</u>
OPERATING PROFIT	4	302,419	392,777
Interest payable and similar expenses	5	<u>(591)</u>	<u>(817)</u>
PROFIT BEFORE TAXATION		301,828	391,960
Tax on profit	6	<u>61,046</u>	<u>71,899</u>
PROFIT FOR THE FINANCIAL YEAR		240,782	320,061
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>240,782</u>	<u>320,061</u>

The notes form part of these financial statements

BALANCE SHEET
30 JUNE 2018

		2018	2017
	Notes	£	£
CURRENT ASSETS			
Stocks	7	4,200	2,700
Debtors	8	5,528,669	5,216,714
Cash at bank and in hand		<u>31,084</u>	<u>6,364</u>
		5,563,953	5,225,778
CREDITORS			
Amounts falling due within one year	9	<u>629,626</u>	<u>532,233</u>
NET CURRENT ASSETS		<u>4,934,327</u>	<u>4,693,545</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,934,327</u>	<u>4,693,545</u>
CAPITAL AND RESERVES			
Called up share capital	11	50	50
Capital redemption reserve	12	55	55
Retained earnings	12	<u>4,934,222</u>	<u>4,693,440</u>
SHAREHOLDERS' FUNDS		<u>4,934,327</u>	<u>4,693,545</u>

The financial statements were approved by the Board of Directors on 23 October 2018 and were signed on its behalf by:

C E Rhodes - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 July 2016	50	4,373,379	55	4,373,484
Changes in equity				
Total comprehensive income	-	320,061	-	320,061
Balance at 30 June 2017	50	4,693,440	55	4,693,545
Changes in equity				
Total comprehensive income	-	240,782	-	240,782
Balance at 30 June 2018	50	4,934,222	55	4,934,327

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. **STATUTORY INFORMATION**

Gate Healthcare Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. In preparing the financial statements the directors have made the following judgements:

- Determine whether leases entered into by the Company as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether any bad debt provision is required via review of trade debtors, with debts provided for on a specific basis. Factors considered include customer payment history and agreed credit terms.

Turnover

The turnover shown in the Statement of Comprehensive Income represents the value of all services delivered at a selling price exclusive of Value Added Tax. Sales are recognised at the point at which the Company has fulfilled its contractual obligations.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost represents the purchase price.

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement.

Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. A financial liability is any contractual arrangement for an entity to deliver cash to the holder of the associated financial instrument.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2018

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Leasing commitments

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions to the Company's defined contribution scheme are charged to the Statement of Comprehensive Income in the year in which they become payable.

3. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	2,547,772	2,461,112
Social security costs	155,417	139,371
Other pension costs	921	16,839
	<u>2,704,110</u>	<u>2,617,322</u>

The average number of employees during the year was as follows:

	2018	2017
Administrative staff	4	4
Care staff	<u>177</u>	<u>199</u>
	<u>181</u>	<u>203</u>

	2018	2017
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

The Company considers key management to be the directors of the Company. The key management remuneration for the year is as disclosed above.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2018**4. OPERATING PROFIT**

The operating profit is stated after charging:

	2018	2017
	£	£
Other operating leases	<u>465,000</u>	<u>486,259</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Bank interest	-	14
Other interest	<u>591</u>	<u>803</u>
	<u>591</u>	<u>817</u>

6. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax	61,046	68,595
Underprovision of tax	<u>-</u>	<u>3,304</u>
Tax on profit	<u>61,046</u>	<u>71,899</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018	2017
	£	£
Profit before tax	<u>301,828</u>	<u>391,960</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	57,347	78,392
Effects of:		
Expenses not deductible for tax purposes	3,699	-
Adjustments to tax charge in respect of previous periods	-	3,304
disposal assets		
Tax charged at lower rate	-	(865)
Group relief	-	(8,932)
Total tax charge	<u>61,046</u>	<u>71,899</u>

7. STOCKS

	2018	2017
	£	£
Stocks	<u>4,200</u>	<u>2,700</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2018

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	138,413	73,533
Amounts owed by group undertakings	5,212,248	4,981,499
Other debtors	-	1,303
Prepayments and accrued income	178,008	160,379
	<u>5,528,669</u>	<u>5,216,714</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	128,370	82,177
Tax	129,641	122,507
Social security and other taxes	67,178	34,780
Other creditors	135,437	124,861
Accruals and deferred income	169,000	167,908
	<u>629,626</u>	<u>532,233</u>

10. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	450,198	462,037
Between one and five years	1,791,423	1,796,621
In more than five years	1,223,750	1,668,750
	<u>3,465,371</u>	<u>3,927,408</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018	2017
			£	£
50	Ordinary	£1	<u>50</u>	<u>50</u>

12. RESERVES

	Retained earnings	Capital redemption reserve	Totals
	£	£	£
At 1 July 2017	4,693,440	55	4,693,495
Profit for the year	240,782	-	240,782
At 30 June 2018	<u>4,934,222</u>	<u>55</u>	<u>4,934,277</u>

13. ULTIMATE PARENT COMPANY

Lorimer Care Home Limited is regarded by the directors as being the Company's ultimate parent company.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2018

14. **CONTINGENT LIABILITIES**

The Company has a cross company guarantee arrangement with the other group and related companies under which the Company guarantees the obligations of the others to the groups bankers. As at the balance sheet date other group company obligations amounted to £10,983,418 (2017: £11,559,596).

15. **RELATED PARTY DISCLOSURES**

The Company has taken advantage of the exemption available under Financial Reporting Standard 102 not to disclose related party transactions with the ultimate parent company or with any wholly owned subsidiaries within the group.

No further transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland".

16. **ULTIMATE CONTROLLING PARTY**

The Company was under the control of the shareholders of the ultimate parent company in the year. There was no individual with a controlling interest in the ultimate parent company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.