Registered Number SC186501

Heatherfield Community Care Limited

Annual report and financial statements

for the year ended 31 July 2011

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Heatherfield Community Care Limited

Annual report and financial statements for the year ended 31 July 2011

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Heatherfield Community Care Limited

Directors and advisers for the year ended 31 July 2011

Directors
S Lakhani

Company secretary
I Lakhani

Registered Office
DLA Piper Scotland LLP
Collins House
Rutland Square
Edinburgh
EH1 2AA

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Benson House
33 Wellington Street
Leeds
LS1 4JP

Bankers
The Royal Bank of Scotland
Falkirk Newmarket Street Branch
2 Newmarket Centre
Falkirk
FK1 1JX

Heatherfield Community Care Limited

Director's report for the year ended 31 July 2011

The director presents his annual report and the financial statements for the year ended 31 July 2011.

Principal activities
The principal activity of the company in the year under review was that of provision of a nursing home for the elderly and infirm.

Business review
The director is satisfied with the performance of the company during the year and is looking at measures to improve profitability in the future.

Property revaluation
The land and buildings were revalued on 5 April 2012 by Colliers International Property Consultants Limited on an open market existing use basis. The revaluation of £1,477,164 (2010: £nil) was charged to the revaluation reserve.

Results
The profit for the financial year amounted to £155,222 (2010: £252,795). The profit for the year has been transferred to reserves. The director has not recommended the payment of a dividend (2010: £nil).

Director
The director who held office during the year and up to the date of signing the financial statements is given below:

S Lakhani

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

Company law requires the director to prepare financial statements for each financial year. Under that law, the director has prepared 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 he 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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. He 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.

Heatherfield Community Care Limited

Director's report for the year ended 31 July 2011 (continued)

Disclosures of information to auditors
So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. The director has taken all the steps that he ought to have taken as 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.

Independent auditors
The auditors, PricewaterhouseCoopers LLP indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

This report was approved by the board on 20th April 2012 and signed on its behalf.

S Lakhani
Director

Independent auditors' report to the members of Heatherfield Community Care Limited

We have audited the financial statements of Heatherfield Community Care Limited for the year ended 31 July 2011 which comprise the Profit and loss account, the Note of historical cost profits and losses, the Balance sheet, the Accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2011 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.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Heatherfield Community Care Limited (continued)

Matters on which we are required to report by exception

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.

A. Ahmad

Arif Ahmad (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
20 April 2012

Heatherfield Community Care Limited

Profit and loss account for the year ended 31 July 2011

	Note	2011 £	2010 £
Turnover	1	**1,729,216**	1,712,823
Cost of sales		**(1,279,413)**	(1,175,296)
Gross profit		**449,803**	537,527
Administrative expenses		**(315,414)**	(282,226)
Operating profit	2	**134,389**	255,301
Interest receivable	4	**85**	36
Interest payable	5	**-**	(362)
Profit on ordinary activities before taxation		**134,474**	254,975
Tax on profit on ordinary activities	6	**20,748**	(2,180)
Profit for the financial year	12	**155,222**	252,795

All amounts relate to continuing operations.

There were no recognised gains and losses for 2011 and 2010 other than those included in the profit and loss account.

Heatherfield Community Care Limited

Note of historical cost profits and losses for the year ended 31 July 2011

	2011 £	2010 £
Reported profit on ordinary activities before taxation	**134,474**	254,795
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	**63,207**	63,207
Historical cost profit on ordinary activities before taxation	**197,681**	318,002
Historical profit for the year after taxation	**218,429**	316,002

Heatherfield Community Care Limited

Balance sheet as at 31 July 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible fixed assets	7	**3,448,243**	5,037,145
Current assets			
Debtors	8	**398,992**	319,855
Cash at bank and in hand		**8,278**	46,832
		407,270	366,687
Creditors - amounts falling due within one year	9	**(1,142,340)**	(1,368,717)
Net current liabilities		**(735,070)**	(1,002,030)
Total assets less current liabilities		**2,713,173**	4,035,115
Net assets		**2,713,173**	4,035,115
Capital and reserves			
Called up share capital	11	**100,000**	100,000
Revaluation reserve	12	**2,020,076**	3,497,240
Profit and loss account	12	**593,097**	437,875
Total shareholders' funds	13	**2,713,173**	4,035,115

The financial statements on pages 6 to 15 were approved by the board on 20th April 2012 and were signed on its behalf by:

S Lakhani
Director

Registered Number SC186501

Heatherfield Community Care Limited

Accounting policies

Basis of preparation of financial statements
The financial statements have been prepared on the going concern basis under the historical cost convention except for the revaluation of land and buildings and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. The principal accounting policies are set out below and applied consistently.

Cash flow
The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

Turnover
Turnover comprises revenue recognised by the company in respect of leasing of nursing homes, exclusive of value added tax on an accruals basis.

Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Land and buildings	-	2% straight line
Other fixed assets	-	15 - 20% reducing balance

Land represents freehold land, therefore has not been depreciated.

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

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Notes to the financial statements for the year ended 31 July 2011

1 Turnover

The whole of the turnover is attributable to the principal activity of the business. All turnover arose within the United Kingdom.

2 Operating profit

	2011	2010
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	**5,000**	5,000
Depreciation of tangible fixed assets		
- owned by the company	**116,576**	118,320

3 Director's remuneration

During the year, no director received any emoluments (2010: £nil).

4 Interest receivable

	2011	2010
	£	£
On cash at bank	**85**	36

5 Interest payable

	2011	2010
	£	£
On bank overdrafts	**-**	362

Notes to the financial statements for the year ended 31 July 2011 (continued)

6 Taxation

	2011	2010
	£	£
Deferred tax		
Origination and reversal of timing differences	**(20,994)**	1,796
Changes in tax rates or laws	**681**	384
Adjustments in respect of previous periods	**(435)**	-
Total deferred tax (see note 10)	**(20,748)**	2,180
Tax (credit)/charge on profit on ordinary activities	**(20,748)**	2,180

Factors affecting tax charge for the year

The tax assessed for the year is based on the standard rate of corporation tax in the UK. The differences are explained below:

	2011	2010
	£	£
Profit on ordinary activities before taxation	**134,474**	254,975
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.67% (2010: 21%)	**27,796**	53,545
Effects of:		
Expenses not deductible for tax purposes	**63**	22,050
Capital allowances for year less than/(in excess of) depreciation	**20,994**	(1,932)
Group relief claimed	**(48,853)**	(73,663)
Current tax charge for the year	**-**	-

Notes to the financial statements for the year ended 31 July 2011 (continued)

7 Tangible fixed assets

	Land and buildings	Other fixed assets	Total
	£	£	£
Cost or valuation			
At 1 August 2010	5,250,000	273,070	5,523,070
Additions	-	4,838	4,838
Revaluation	(1,850,000)	-	(1,850,000)
At 31 July 2011	**3,400,000**	**277,908**	**5,527,908**
Accumulated depreciation			
At 1 August 2010	267,836	218,089	485,925
Charge for the year	105,000	11,576	116,576
Revaluation	(372,836)	-	(372,836)
At 31 July 2011	**-**	**229,665**	**229,665**
Net book value			
At 31 July 2011	**3,400,000**	**48,243**	**3,448,243**
At 1 August 2010	4,982,164	54,981	5,037,145

The land and buildings were revalued on 5 April 2012 by Colliers International Property Consultants Limited on an open market existing use basis.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2011	2010
	£	£
Cost	**1,561,362**	1,561,362
Accumulated depreciation	**(294,250)**	(252,457)
Net book value	**1,267,112**	1,308,905

Notes to the financial statements for the year ended 31 July 2011 (continued)

8 Debtors

	2011	2010
	£	£
Trade debtors	**145,930**	118,426
Amounts owed by group undertakings	**154,658**	134,145
Other debtors and accrued income	**71,811**	61,439
Deferred tax asset (note 10)	**26,593**	5,845
	398,992	319,855

Amounts owed by group undertakings are unsecured, repayable on demand and interest-free.

9 Creditors – Amounts falling due within one year

	2011	2010
	£	£
Trade creditors	**36,927**	45,601
Amounts owed to group undertakings	**1,083,328**	1,300,704
Social security and other taxes	**17,085**	16,976
Accruals and other creditors	**5,000**	5,436
	1,142,340	1,368,717

Amounts owed to group undertakings are unsecured, repayable on demand and interest-free.

Notes to the financial statements for the year ended 31 July 2011 (continued)

10 Deferred tax

	2011	2010
	£	£
At beginning of year	**(5,845)**	(8,025)
(Credited)/charged during the year	**(20,748)**	2,180
At end of year	**(26,593)**	(5,845)

The deferred taxation balance is made up as follows:

	2011	2010
	£	£
Accelerated capital allowances	**(26,593)**	(5,845)

11 Called up share capital

	2011	2010
	£	£
Authorised		
100,000 ordinary class A shares of £1 each	**100,000**	100,000
100,000 ordinary class B shares of £1 each	**100,000**	100,000
	200,000	200,000
Allotted, called up and fully paid		
100,000 ordinary class B shares of £1 each	**100,000**	100,000

Notes to the financial statements for the year ended 31 July 2011 (continued)

12 Reserves

	Revaluation reserve	Profit and loss account
	£	£
At 1 August 2010	3,497,240	437,875
Profit for the financial year	-	155,222
Revaluation adjustment	(1,477,164)	-
At 31 July 2011	**2,020,076**	**593,097**

13 Reconciliation of movement in total shareholders' funds

	2011	2010
	£	£
Opening total shareholders' funds	**4,035,115**	3,782,320
Profit for the financial year	**155,222**	252,795
Revaluation adjustment	**(1,477,164)**	-
Closing total shareholders' funds	**2,713,173**	4,035,115

14 Contingent liabilities

The parent company has a loan which is secured on the company's property.

15 Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related Party Disclosures' not to disclose transactions with members of the group headed by The Holmes Care (Group) Limited on the grounds that at least 90% of the voting rights in the company are controlled within the group.

16 Ultimate parent undertaking and controlling party

The company's parent undertaking is The Holmes Care (Bathgate) Limited. The company's ultimate parent undertaking is The Holmes Care (Group) Limited, a company incorporated in England and Wales. Consolidated accounts for this company are available from Companies House.

The company is controlled by S Lakhani, the company's director.