



Scott-Moncrieff
business advisers and accountants

BROXBURN NURSING HOME LIMITED

Company registration number SC259713

FILING FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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BROXBURN NURSING HOME LIMITED

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BROXBURN NURSING HOME LIMITED

COMPANY INFORMATION

Director	J Chohan
Registered number	SC259713
Registered office	Wyvis House Care Home Station Road Dingwall IV15 9FF
Accountants	Scott-Moncrieff Chartered Accountants 10 Ardross Street Inverness IV1 1DA

BROXBURN NURSING HOME LIMITED
REGISTERED NUMBER: SC259713

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	6	1,019,241	1,044,504
		<u>1,019,241</u>	<u>1,044,504</u>
Current assets			
Debtors: amounts falling due within one year	7	315,269	290,601
Cash at bank and in hand		372,025	161,587
		<u>687,294</u>	<u>452,188</u>
Creditors: amounts falling due within one year	8	(208,304)	(135,879)
Net current assets		<u>478,990</u>	<u>316,309</u>
Total assets less current liabilities		<u>1,498,231</u>	<u>1,360,813</u>
Creditors: amounts falling due after more than one year	9	(882,668)	(937,984)
Provisions for liabilities			
Deferred tax	10	(2,585)	(3,401)
		<u>(2,585)</u>	<u>(3,401)</u>
Net assets		<u><u>612,978</u></u>	<u><u>419,428</u></u>

BROXBURN NURSING HOME LIMITED
REGISTERED NUMBER: SC259713
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		612,878	419,328
		<u>612,978</u>	<u>419,428</u>

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The director acknowledges her responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of Section 1A 'Small Entities' of Financial Reporting Standard 102.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
J Chohan

Director

Date: 19/09/17.

BROXBURN NURSING HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 March 2017.

The principal activity of Broxburn Nursing Home Limited is that of a nursing home.

The company is a private company limited by share and is incorporated in the United Kingdom and registered in Scotland. Details of the registered office can be found on the company information page of these financial statements. The company registration number is SC259713.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable law and United Kingdom Accounting Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

Before 1 April 2016 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102, as issued by the Financial Reporting Council, and referred to as 'previous UK GAAP'. Information on the impact of first-time adoption of FRS 102 is given in note 16. The date of transition is 1 April 2016.

The preparation of financial statements in compliance with Section 1A 'Small Entities' of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

Turnover 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 turnover 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.

BROXBURN NURSING HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method as well as the reducing balance method.

Depreciation is provided on the following basis:

Freehold property	-	2% on cost
Fixtures and fittings	-	20% on reducing balance

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 income and retained earnings.

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.

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 debtors and creditors, are measured,

BROXBURN NURSING HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.7 Financial instruments (continued)

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.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of income and retained earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 income and retained earnings.

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 of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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.

BROXBURN NURSING HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.10 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.

2.11 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.12 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

2.13 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 income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position 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 Statement of financial position.

BROXBURN NURSING HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge 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 reporting 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 Statement of financial position 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 reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The directors are satisfied that accounting policies are appropriate and applied consistently. Key sources of accounting estimation have been applied to the depreciation rates which are deemed to be appropriate for the class of asset.

4. Employees

The average monthly number of employees, including directors, during the year was 49 (2016 - 56).

BROXBURN NURSING HOME LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

5. Intangible assets

	Goodwill £
Cost	
At 1 April 2016	378,199
At 31 March 2017	<u>378,199</u>
Amortisation	
At 1 April 2016	378,199
At 31 March 2017	<u>378,199</u>
Net book value	
At 31 March 2017	<u><u>-</u></u>
At 31 March 2016	<u><u>-</u></u>

BROXBURN NURSING HOME LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

6. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2016	1,093,082	91,146	1,184,228
At 31 March 2017	1,093,082	91,146	1,184,228
Depreciation			
At 1 April 2016	65,585	74,139	139,724
Charge for the year on owned assets	21,862	3,401	25,263
At 31 March 2017	87,447	77,540	164,987
Net book value			
At 31 March 2017	1,005,635	13,606	1,019,241
At 31 March 2016	1,027,497	17,007	1,044,504

7. Debtors

	2017 £	2016 £
Trade debtors	6,983	15,199
Amounts owed by group companies	292,451	270,645
Prepayments and accrued income	15,835	4,757
	315,269	290,601

BROXBURN NURSING HOME LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	45,000	31,008
Trade creditors	27,368	25,377
Corporation tax	62,462	12,051
Other taxation and social security	23,156	18,489
Other creditors	12,830	-
Accruals and deferred income	37,488	48,954
	<u>208,304</u>	<u>135,879</u>

9. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	882,668	937,984
	<u>882,668</u>	<u>937,984</u>

Secured loans

The Royal Bank of Scotland holds a standard security over Broxburn Nursing Home and a bond and floating charge over the assets of the company.

10. Deferred taxation

	2017 £
At beginning of year	(3,401)
Charged to profit or loss	816
At end of year	<u>(2,585)</u>

BROXBURN NURSING HOME LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

10. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2017 £
Accelerated capital allowances	(2,585)
	<u>(2,585)</u>

11. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

12. Commitments under operating leases

At 31 March 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	1,664	3,328
	<u>1,664</u>	<u>3,328</u>

BROXBURN NURSING HOME LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

13. Related party transactions

Pepperwood Care Limited
The company's parent company

During the year the company was advanced funds and paid expenses by of Pepperwood Care Limited totalling £1,000 (2016 - £1,058,495) and was recharged expenses from Pepperwood Care Limited totalling £805 (2016 - £6,445).

At the year end Pepperwood Car Limited owed the company £242,130 (2016 - £240,326).

Ms J Chohan
Company Director

During the year the director advanced funds to and paid expenses on behalf of the company totalling £10,528 (2016 - £24,347).

During the year the company advanced funds to and paid expenses on behalf of the director totalling £4,024 (2016 - £4,487).

At the year end the company owed the director £6,504 (2016 - £nil).

Pepperwood Care (Management) Limited
Company owned by Ms J Chohan

During the year the company advanced funds and paid expenses on behalf of Pepperwood Care (Management) Limited totalling £20,000 (2016 - £30,320).

At the year end Pepperwood Care (Management) Limited owed the company £50,320 (2016 - £30,320).

14. Ultimate parent company

Pepperwood Care Ltd is regarded by the director as being the company's ultimate parent company.

15. Controlling party

The company was under the control of Mrs J Chohan. Mrs J Chohan is 100% shareholder in Pepperwood Care Ltd, the holding company of Broxburn Nursing Home Limited.

16. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.