

Registered Number SC281177

Aviemore Homes Limited
Annual report and financial statements
for the year ended 31 July 2012

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Aviemore Homes Limited

Annual report and financial statements for the year ended 31 July 2012

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Aviemore Homes Limited

Director and advisers for the year ended 31 July 2012

Director

S Lakhani

Company secretary

I Lakhani

Registered Office

C/O DLA Piper Rudnick Gray Cary 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

Royal Bank of Scotland

26 St Andrews Square

Edinburgh

EH2 2YB

Solicitors

DLA Piper Scotland LLP

Collins House

Rutland Square

Edinburgh

EH1 2AA

Aviemore Homes Limited

Director's report for the year ended 31 July 2012

The director presents his annual report and the financial statements for the year ended 31 July 2012.

Principal activities

The company's principal activity is the operation of a nursing home.

Business review

The director is satisfied with the performance of the company during the year and the improved profitability

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. The company has had a steady performance during the year with turnover increased by 5%.

One of the principal risks that the company faces concerns fee income, which in many cases is funded by local health authorities who themselves are facing strict budgetary constraints. The company has good relations with its local funders and works closely with them to ensure that income rates are appropriate to the services provided.

The key performance indicators used by the director to assess the performance of the company are turnover, occupancy rates, operating profit, EBITDA and net assets. On all these indicators, the company's performance remained strong in comparison to the previous year

Future outlook

The director is confident that the company will continue to show sustained growth and increase profitability in the future years.

Financial risk management

The company makes little use of financial instruments other than operational bank accounts and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of its net assets, liabilities, financial position and profit or loss of the company.

Property revaluation

The land and buildings were revalued on 30 November 2012 by Christie & Co. on an open market existing use basis. A revaluation of £3,600 (2011: £nil) was charged to the revaluation reserve.

Results and dividends

The profit for the financial year amounted to £300,691 (2011: £393,926). The director recommends that no final dividends be declared (2011: £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

Aviemore Homes Limited

Director's report for the year ended 31 July 2012 (continued)

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 have 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;
- 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 him 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.

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 19 April 2013 and signed on its behalf.



S Lakhani
Director

Aviemore Homes Limited

Independent auditors' report to the members of Aviemore Homes Limited

We have audited the financial statements of Aviemore Homes Limited for the year ended 31 July 2012 which comprise the Profit and loss account, the Statement of total recognised gains and losses, 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 Statement of Director's Responsibilities set out on page 3 the director is 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 director; 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 2012 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Aviemore Homes Limited

Independent auditors' report to the members of Aviemore Homes 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 director's 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
19 April 2013

Aviemore Homes Limited

Profit and loss account for the year ended 31 July 2012

	Note	2012 £	2011 £
Turnover	1	2,471,960	2,340,642
Cost of sales		(1,503,328)	(1,462,045)
Gross profit		968,632	878,597
Administrative expenses		(377,485)	(341,634)
Operating profit	2	591,147	536,963
Interest payable and similar charges	4	(172,537)	(163,055)
Profit on ordinary activities before taxation		418,610	373,908
Tax (charge)/credit on profit on ordinary activities	5	(117,919)	20,018
Profit for the financial year	11	300,691	393,926

All amounts relate to continuing operations.

Statement of total recognised gains and losses for the year ended 31 July 2012

	Note	2012 £	2011 £
Profit for the financial year		300,691	393,926
Revaluation	12	3,600	-
Total recognised gains and losses relating to the year		304,291	155,222

Aviemore Homes Limited

Note of historical cost profits and losses for the year ended 31 July 2012

	2012 £	2011 £
Reported profit on ordinary activities before taxation	418,610	373,908
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	28,680	28,680
Historical cost profit on ordinary activities before taxation	447,290	402,588
Historical profit for the year after taxation	329,371	422,606

Aviemore Homes Limited

Balance sheet as at 31 July 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	6	7,189,286	7,305,686
		7,189,286	7,305,686
Current assets			
Debtors	7	2,006,166	1,508,824
Cash at bank and in hand		94,971	31,443
		2,101,137	1,540,267
Creditors - amounts falling due within one year	8	(3,270,675)	(3,037,719)
Net current liabilities		(1,169,538)	(1,497,452)
Total assets less current liabilities		6,019,748	5,808,234
Creditors - amounts falling due after more than one year	9	(4,397,633)	(4,490,410)
Net assets		1,622,115	1,317,824
Capital and reserves			
Called up share capital	11	100	100
Revaluation reserve	12	1,436,884	1,433,284
Profit and loss account	12	185,131	(115,560)
Total shareholders' funds	13	1,622,115	1,317,824

The financial statements on pages 6 to 16 were approved by the board on 19 April 2013 and were signed on its behalf by:



S Lakhani
Director

Registered Number SC281177

Aviemore Homes Limited

Accounting policies for the year ended 31 July 2012

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 provision of a nursing home for the elderly and infirm, exclusive of value added tax on an accruals basis.

Tangible assets and depreciation

Tangible assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets 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
Plant and machinery - 20% reducing balance
Furniture, fittings and equipment - 20% reducing balance

No depreciation has been charged for the land and buildings.

Revaluation of tangible assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any intervening year where the director considers that a trigger event has occurred.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the profit and loss account.

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.

Aviemore Homes Limited

Notes to the financial statements for the year ended 31 July 2012

1 Turnover

The company's entire turnover is attributable to the company's principal activity in the United Kingdom.

2 Operating profit

The operating profit is stated after charging:	2012	2011
	£	£
Depreciation of tangible fixed assets:		
-owned by the company	132,969	137,371
Auditors' remuneration	5,000	5,000

During the year, the director did not receive any emoluments in respect of his services to the company (2011: £nil).

3 Staff costs

Staff costs were as follows:

	2012	2011
	£	£
Wages and salaries	1,312,694	1,296,634
Social security costs	94,785	87,961
	1,407,479	1,384,595

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

	2012	2011
	Number	Number
Nursing staff and management	85	84

4 Interest payable and similar charges

	2012	2011
	£	£
On bank loans and overdrafts	172,537	163,055

Aviemore Homes Limited

Notes to the financial statements for the year ended 31 July 2012 (continued)

5 Tax on profit on ordinary activities

	2012 £	2011 £
Current Tax		
UK corporation tax on profits of the year	4,615	-
Adjustments in respect of previous periods	113,978	-
Total current tax	118,593	-
Deferred tax		
Origination and reversal of timing differences	(3,161)	(20,018)
Adjustments in respect of previous periods	2,487	-
Total deferred tax (see note 10)	(674)	(20,018)
Tax charge/(credit) on profit on ordinary activities	117,919	(20,018)

Factors affecting tax charge for the year

The tax assessed for the year is higher (2011: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2012 £	2011 £
Profit on ordinary activities before tax	418,610	373,908
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2011: 20.67%)	83,722	74,782
Effects of:		
Expenses not deductible for tax purposes	22,680	-
Capital allowances for year in excess of depreciation	3,161	25,807
Adjustments in respect of previous periods	113,978	-
Utilisation of losses	-	(5,780)
Group relief not paid for	(104,948)	(94,809)
Current tax charge for the year	118,593	-

Aviemore Homes Limited

Notes to the financial statements for the year ended 31 July 2012 (continued)

5 Tax on profit on ordinary activities (continued)

Factors affecting current and future tax charges

As the latest Finance Act was substantively enacted on 3 July 2012, effectively reducing the standard corporation tax rate to 23% from 1 April 2013, any deferred assets or liabilities released or settled after 1 April 2013 will reverse at 20% or 23%. Therefore we have prepared the provision on this basis and calculated the rate of deferred tax to be 20% and 23.67%.

Further reductions to the UK corporation tax rate were announced in the March 2013 Budget. The changes, which are expected to be enacted separately each year, propose to reduce the rate to 21% by 1 April 2014 and 20% by 1 April 2015. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

6 Tangible fixed assets

	Land and buildings	Plant and machinery	Furniture, fittings and equipment	Total
	£	£	£	£
Cost or valuation				
At 1 August 2011	7,550,000	19,059	165,352	7,734,411
Addition	-	2,117	10,852	12,969
Revaluation	(450,000)	-	-	(450,000)
At 31 Jul 2012	7,100,000	21,176	176,204	7,297,380
Accumulated depreciation				
At 1 August 2011	340,200	9,301	79,224	428,725
Charge for the year	113,400	1,952	17,617	132,969
Revaluation	(453,600)	-	-	(453,600)
At 31 Jul 2012	-	11,253	96,841	108,094
Net book value				
At 31 July 2012	7,100,000	9,923	79,363	7,189,286
At 1 August 2011	7,209,800	9,758	86,128	7,305,686

Included in land and buildings is freehold land of £1,880,000 (2011: £1,880,000) which is not depreciated.

The freehold land and buildings were revalued in November 2012 by Christie & Co, Chartered Surveyors, on an open market value basis, in accordance with the RICS Appraisal and Valuation Manual.

Aviemore Homes Limited

Notes to the financial statements for the year ended 31 July 2012 (continued)

6 Tangible fixed assets (continued)

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

	2012 £	2011 £
Cost	6,116,000	6,116,000
Accumulated depreciation	(338,880)	(254,160)
Net book value	5,777,120	5,861,840

7 Debtors

	2012 £	2011 £
Trade debtors	120,183	107,337
Amounts owed by group undertakings	1,804,675	1,322,058
Prepayments and accrued income	61,946	60,741
Deferred tax (see note 10)	19,362	18,688
	2,006,166	1,508,824

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

Aviemore Homes Limited

Notes to the financial statements for the year ended 31 July 2012 (continued)

8 Creditors – Amounts falling due within one year

	2012	2011
	£	£
Bank loan and overdraft	92,777	-
Trade creditors	39,501	30,714
Amounts owed to group undertakings	2,914,894	2,885,558
Other creditors	2,647	136
Tax and social security	24,496	24,859
Corporation tax	118,593	-
Accruals and deferred income	77,767	96,452
	3,270,675	3,037,719

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

The bank loan is secured on the company's freehold land and buildings by way of a fixed and floating charge together with security over other group assets. Interest is payable at 3.45% above the Royal Bank of Scotland's base rate per annum.

9 Creditors – Amounts falling due after more than one year

	2012	2011
	£	£
Bank loans	4,397,633	4,490,410

The bank loan is secured on the company's freehold land and buildings by way of a fixed and floating charge together with security over other group assets. Interest is payable at 3.45% above the Royal Bank of Scotland's base rate per annum. The balance is due within one to two years.

Aviemore Homes Limited

Notes to the financial statements for the year ended 31 July 2012 (continued)

10 Deferred taxation

	2012	2011
	£	£
At beginning of year	(18,688)	1,330
Credited during year	(674)	(20,018)
At end of year	(19,362)	(18,688)

The deferred taxation balance is made up as follows:

	2012	2011
	£	£
Accelerated capital allowances	(19,362)	(18,688)

11 Called up share capital

	2012	2011
	£	£
Authorised		
1,000 (2011: 1,000) ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
100 (2011: 100) ordinary shares of £1 each	100	100

Aviemore Homes Limited

Notes to the financial statements for the year ended 31 July 2012 (continued)

12 Reserves

	Revaluation reserve	Profit and loss account
	£	£
At 1 August 2011	1,433,284	(115,560)
Profit for the financial year	-	300,691
Revaluation	3,600	-
At 31 July 2012	1,436,884	185,131

13 Reconciliation of movements in shareholders' funds

	2012	2011
	£	£
Opening total shareholders' funds	1,317,824	923,898
Profit for the financial year	300,691	393,926
Revaluation	3,600	-
Closing total shareholders' funds	1,622,115	1,317,824

14 Contingent liabilities

The company has guaranteed loans taken out by certain other group companies.

15 Related party transactions

Details of the company's balances with group undertakings are provided in Notes 7 and 8.

16 Ultimate parent undertaking and controlling party

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

The Holmes Care (Group) Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements.

The ultimate controlling party is S Lakhani, the company's director.