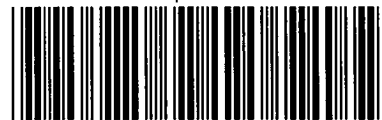


NEWLANDS CARE LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017
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NEWLANDS CARE LIMITED

Company Information

Directors	Mrs N S Henn Mrs S J Jobson Mr M J McKinlay
Company number	SC438439
Registered office	Newlands Residential Home Thistle Street Dunfermline Fife KY12 0JA
Accountants	Condie & Co 10 Abbey Park Place Dunfermline Fife KY12 7NZ
Bankers	Royal Bank of Scotland 52-54 East Port Dunfermline KY12 7HB

NEWLANDS CARE LIMITED

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NEWLANDS CARE LIMITED

Report To The Directors On The Preparation Of The Unaudited Statutory Accounts Of Newlands Care Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Newlands Care Limited for the year ended 31 July 2017 which comprise, the Statement Of Financial Position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the ICAS we are subject to its ethical and other professional requirements which are detailed at <https://www.icas.com/FrameworkforthePreparationofAccounts>.

This report is made solely to the Board of Directors of Newlands Care Limited, as a body, in accordance with the terms of our engagement letter dated 6 July 2017. Our work has been undertaken solely to prepare for your approval the financial statements of Newlands Care Limited and state those matters that we have agreed to state to the Board of Directors of Newlands Care Limited, as a body, in this report in accordance with the requirements of the ICAS as detailed at <https://www.icas.com/FrameworkforthePreparationofAccounts>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Newlands Care Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Newlands Care Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Newlands Care Limited. You consider that Newlands Care Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Newlands Care Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Condie & Co

Chartered Accountants

16 March 2018

10 Abbey Park Place
Dunfermline
Fife
KY12 7NZ

NEWLANDS CARE LIMITED

Statement Of Financial Position

As At 31 July 2017

		2017		2016	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3		175,000		200,000
Tangible assets	4		1,011,208		847,586
Current assets					
Stocks		1,100		1,200	
Debtors	5	34,468		24,163	
Cash at bank and in hand		84,040		35,159	
		119,608		60,522	
Creditors: amounts falling due within one year	6	(196,234)		(167,530)	
Net current liabilities			(76,626)		(107,008)
Total assets less current liabilities			1,109,582		940,578
Creditors: amounts falling due after more than one year	7		(838,946)		(860,025)
Provisions for liabilities			(66,590)		(39,987)
Net assets			204,046		40,566
Capital and reserves					
Called up share capital	8		1,000		1,000
Revaluation reserve	9		151,407		-
Profit and loss reserves			51,639		39,566
Total equity			204,046		40,566

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 July 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 16 March 2018 and are signed on its behalf by:

Mrs N S Henn
Director



Company Registration No. SC438439

NEWLANDS CARE LIMITED

Statement Of Changes In Equity For The Year Ended 31 July 2017

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 August 2015		1,000	-	50,264	51,264
Year ended 31 July 2016:					
Profit and total comprehensive income for the year		-	-	35,938	35,938
Dividends		-	-	(46,636)	(46,636)
Balance at 31 July 2016		1,000	-	39,566	40,566
Year ended 31 July 2017:					
Profit for the year		-	-	54,138	54,138
Other comprehensive income:					
Revaluation of tangible fixed assets		-	170,609	-	170,609
Tax relating to other comprehensive income		-	(19,202)	-	(19,202)
Total comprehensive income for the year		-	151,407	54,138	205,545
Dividends		-	-	(42,065)	(42,065)
Balance at 31 July 2017		1,000	151,407	51,639	204,046

NEWLANDS CARE LIMITED

Notes To The Financial Statements

For The Year Ended 31 July 2017

1 Accounting policies

Company information

Newlands Care Limited is a private company limited by shares incorporated in Scotland. The registered office is Newlands Residential Home, Thistle Street, Dunfermline, Fife, KY12 0JA.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 the revaluation of heritable properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 July 2017 are the first financial statements of Newlands Care Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 August 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 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 the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of 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 are recoverable.

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

NEWLANDS CARE LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 31 July 2017

1 Accounting policies

(Continued)

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:

Land and buildings Heritable	not depreciated
Fixtures, fittings & equipment	10% straight line p.a.
Computer equipment	33% straight line p.a.

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.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

NEWLANDS CARE LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 31 July 2017

1 Accounting policies

(Continued)

1.7 Cash at bank and in hand

Cash at bank and in hand 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 statement of financial position 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.

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.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue 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.

NEWLANDS CARE LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 31 July 2017

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 income statement, 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.

1.11 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.

1.12 Retirement benefits

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

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are 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.

NEWLANDS CARE LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 31 July 2017

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 August 2016 and 31 July 2017	250,000
Amortisation and impairment	
At 1 August 2016	50,000
Amortisation charged for the year	25,000
At 31 July 2017	75,000
Carrying amount	
At 31 July 2017	175,000
At 31 July 2016	200,000

4 Tangible fixed assets

	Land and buildings Heritable £	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost				
At 1 August 2016	799,391	66,663	1,384	867,438
Revaluation	170,609	-	-	170,609
At 31 July 2017	970,000	66,663	1,384	1,038,047
Depreciation and impairment				
At 1 August 2016	-	19,051	800	19,851
Depreciation charged in the year	-	6,666	322	6,988
At 31 July 2017	-	25,717	1,122	26,839
Carrying amount				
At 31 July 2017	970,000	40,946	262	1,011,208
At 31 July 2016	799,391	47,612	583	847,586

Tangible fixed assets totalling £1,011,208 are pledged as security in favour of The Clydesdale Bank PLC.

On 15th August 2016 a revaluation of the heritable property was carried out by Jones Lang Lasalle Limited. The valuation is shown at market value on an operational trading entity basis.

NEWLANDS CARE LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 31 July 2017

5 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	34,097	24,163
Other debtors	371	-
	<u>34,468</u>	<u>24,163</u>

Trade debtors totalling £48,240 are pledged as security in favour of The Clydesdale Bank PLC.

6 Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	42,857	38,108
Trade creditors	3,284	4,797
Corporation tax	3,842	-
Other taxation and social security	9,181	3,526
Other creditors	137,070	121,099
	<u>196,234</u>	<u>167,530</u>

The Clydesdale Bank PLC holds fixed and floating charges over all of the property and assets of the company for all sums due.

7 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Bank loans and overdrafts	838,946	860,025
	<u>838,946</u>	<u>860,025</u>

8 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

9 Revaluation reserve

NEWLANDS CARE LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 31 July 2017

9 Revaluation reserve (Continued)

	2017 £	2016 £
At beginning of year	-	-
Revaluation surplus arising in the year	170,609	-
Deferred tax on revaluation of tangible assets	(19,202)	-
At end of year	151,407	-

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2017 £	2016 £
30,324	36,669

11 Related party transactions

The company has taken advantage of Section 1AC35 of FRS 102 whereby only material transactions which are not under the normal market conditions need to be disclosed. There are no transactions with any related companies that are not under normal market conditions.

12 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Mrs N S Henn -	-	4,105	-	-	4,105
Mrs S J Jobson -	-	39,067	-	(660)	38,407
Mr M J McKinlay -	-	44,401	4,995	(11,000)	38,396
		87,573	4,995	(11,660)	80,908

The loan due to the directors' are interest free and repayable on demand.

A director of the company has provided a personal guarantee to The Clydesdale Bank PLC for sums owed to the bank up to £910,000 plus interest and expenses. The bank holds a security over a care home owned by the director.