

Cherryholme House Limited
Financial Statements
31 August 2016



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COMPANIES HOUSE

McDONALD GORDON & CO LTD
Chartered Certified Accountants & statutory auditor
29 York Place, Edinburgh, EH1 3HP

Cherryholme House Limited

Financial Statements

Year ended 31 August 2016

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Cherryholme House Limited
Officers and Professional Advisers

The board of directors	Sean Black Susan Black
Registered office	29 York Place Edinburgh EH1 3HP
Auditor	McDonald Gordon & Co Ltd Chartered Certified Accountants & statutory auditor 29 York Place, Edinburgh, EH1 3HP
Bankers	HSBC plc 118 Princes Street Edinburgh EH2 4AA

Cherryholme House Limited

Statement of Financial Position

31 August 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	7	316,860	–
Current assets			
Stocks	8	750	–
Debtors	9	51,282	3,850
Cash at bank and in hand		16,364	–
		<u>68,396</u>	<u>3,850</u>
Creditors: amounts falling due within one year	10	<u>386,537</u>	<u>4,389</u>
Net current liabilities		<u>318,141</u>	<u>539</u>
Total assets less current liabilities		<u>(1,281)</u>	<u>(539)</u>
Provisions			
Taxation including deferred tax	11	20,017	–
Net liabilities		<u>(21,298)</u>	<u>(539)</u>
Capital and reserves			
Called up share capital	13	1	1
Profit and loss account	14	(21,299)	(540)
Members deficit		<u>(21,298)</u>	<u>(539)</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the income statement has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 25 May 2017, and are signed on behalf of the board by:



Sean Black
Director

Company registration number: SC494608

The notes on pages 3 to 8 form part of these financial statements.

Cherryholme House Limited

Notes to the Financial Statements

Year ended 31 August 2016

1. General information

Cherryholme House Ltd is a private company limited by shares, registered in Scotland (SC494608). The address of the registered office is 29 York Place, Edinburgh, EH1 3HP. The place of business is 22 Colinton Road, Edinburgh, EH10 5EQ. The principal activity is proprietors and operators of care homes for the elderly.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'. The July 2015 amendments to the standard have been early adopted.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity

Group relief

It is group policy to surrender tax losses without payment.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends upon the financial support of the group.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 September 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 18.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors have made the following estimates in the process of applying the entity's accounting policies:-

- depreciation - residual value and useful economic life.

Revenue recognition

Turnover is measured at the fair value of the total invoice value of fees invoiced to care home residents.

Cherryholme House Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2016

3. Accounting policies *(continued)*

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset or liability is recognised for tax recoverable or payable in future periods in respect of transactions and events recognised in the financial statements of current and previous periods. Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. Timing differences result from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing differences. Deferred tax relating to Land and buildings that is measured at fair value is measured using the rates and allowances that apply to the sale of the asset.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Buildings	- straight line over 50 years
Fixtures & fittings	- 25% reducing balance
Office equipment	- 25% reducing balance
Linen & crockery	- 10% reducing balance

Cherryholme House Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2016

3. Accounting policies *(continued)*

Depreciation *(continued)*

Integral Features - 2% straight line

Stocks

Stocks are measured at cost.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and all are subsequently carried at amortised cost using the effective interest method.

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Defined contribution plans

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the statement of comprehensive income.

Cherryholme House Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2016

4. Operating profit

Operating profit or loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible assets	<u>28,529</u>	<u>—</u>

5. Auditor's remuneration

	2016 £	2015 £
Fees payable for the audit of the financial statements	<u>1,500</u>	<u>—</u>

6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to 29 (2015: Nil).

7. Tangible assets

	Freehold property £	Fixures, fittings & equipment £	Equipment £	Crockery & linen £	Total £
Cost					
Additions	237,957	103,068	1,059	3,305	345,389
At 31 August 2016	<u>237,957</u>	<u>103,068</u>	<u>1,059</u>	<u>3,305</u>	<u>345,389</u>
Depreciation					
Charge for the year	4,363	23,620	243	303	28,529
At 31 August 2016	<u>4,363</u>	<u>23,620</u>	<u>243</u>	<u>303</u>	<u>28,529</u>
Carrying amount					
At 31 August 2016	<u>233,594</u>	<u>79,448</u>	<u>816</u>	<u>3,002</u>	<u>316,860</u>
At 31 August 2015	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

8. Stocks

	2016 £	2015 £
Raw materials and consumables	<u>750</u>	<u>—</u>

Cherryholme House Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2016

9. Debtors

	2016 £	2015 £
Trade debtors	47,254	—
Amounts owed by group undertakings and undertakings in which the company has a participating interest	3,832	—
Other debtors	—	1
Prepayments	196	3,849
	<u>51,282</u>	<u>3,850</u>

10. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	23,431	—
Amounts owed to group undertakings and undertakings in which the company has a participating interest	336,917	4,089
Social security and other taxes	2,504	—
Other creditors	23,685	300
	<u>386,537</u>	<u>4,389</u>

Other creditors

	2016 £	2015 £
Accruals and deferred income	21,964	300
Other	1,721	—
	<u>23,685</u>	<u>300</u>

11. Provisions

	Deferred tax (note 12) £
At 1 September 2015	—
Additions	20,017
At 31 August 2016	<u>20,017</u>

12. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2016 £	2015 £
Included in provisions (note 11)	<u>20,017</u>	—

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016 £	2015 £
Accelerated capital allowances	<u>20,017</u>	—

Cherryholme House Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2016

13. Called up share capital

Allotted, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

14. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

15. Summary audit opinion

The auditor's report for the year dated May 2017 was unqualified.

The senior statutory auditor was Walter Raymond Paterson, for and on behalf of McDonald Gordon & Co Ltd.

16. Related party transactions

The company has taken advantage of the exemption under FRS102 Section 33 from the requirement to disclose information on transactions with entities which are part of the group, on the basis that consolidated group financial statements are publicly available.

17. Controlling party

The ultimate parent undertaking is Lindemann Healthcare Ltd (SC155229), a company registered in Scotland. Consolidated accounts for Lindemann Healthcare Ltd are available from Companies House, 4th Floor, 139 Fountainbridge, Edinburgh, EH3 9FF.

18. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 September 2014.

No transitional adjustments were required in equity or profit or loss for the period.

Cherryholme House Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2016

13. Called up share capital

Allotted, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

14. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

15. Summary audit opinion

The auditor's report for the year dated 25 May 2017 was unqualified.

The senior statutory auditor was Walter Raymond Paterson, for and on behalf of McDonald Gordon & Co Ltd.

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