

COMPANY REGISTRATION NUMBER: SC494608



Cherryholme House Limited
Filleted Financial Statements
31 August 2017



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

Cherryholme House Limited

Financial Statements

Year ended 31 August 2017

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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
Directors' Responsibilities Statement
Year ended 31 August 2017

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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. They are 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.

Cherryholme House Limited

Statement of Financial Position

31 August 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	6	306,480	316,860
Current assets			
Stocks		750	750
Debtors	7	14,592	51,282
Cash at bank and in hand		134,469	16,364
		149,811	68,396
Creditors: amounts falling due within one year	8	315,386	386,537
Net current liabilities		165,575	318,141
Total assets less current liabilities		140,905	(1,281)
Provisions			
Taxation including deferred tax	9	14,752	20,017
Net assets/(liabilities)		126,153	(21,298)
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account	12	126,152	(21,299)
Shareholders funds/(deficit)		126,153	(21,298)

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 29 May 2018, and are signed on behalf of the board by:



Sean Black
Director

Company registration number: SC494608

The notes on pages 5 to 11 form part of these financial statements.

Cherryholme House Limited

Statement of Changes in Equity

Year ended 31 August 2017

	Called up share capital £	Profit and loss account £	Total £
At 1 September 2015	1	(540)	(539)
Loss for the year	—	(20,759)	(20,759)
Total comprehensive income for the year	—	(20,759)	(20,759)
At 31 August 2016	1	(21,299)	(21,298)
Profit for the year	—	147,451	147,451
Total comprehensive income for the year	—	147,451	147,451
At 31 August 2017	<u>1</u>	<u>126,152</u>	<u>126,153</u>

The notes on pages 5 to 11 form part of these financial statements.

Cherryholme House Limited

Notes to the Financial Statements

Year ended 31 August 2017

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 Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis and relate to the company as an individual, not about its group.

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.

Disclosure exemptions

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 economic life.

Revenue recognition

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

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Cherryholme House Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

3. Accounting policies *(continued)*

Taxation

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.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

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

Integral Features - 2% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Cherryholme House Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

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.

Cherryholme House Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

3. Accounting policies *(continued)*

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 instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand includes cash and short term highly liquid investments.

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measure or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

4. Turnover

Turnover arises from:

	2017	2016
	£	£
Residents fees	701,900	567,957
Residents sundries	5,825	1,040
	<u>707,725</u>	<u>568,997</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Employee numbers

The average number of persons employed by the company during the year amounted to 31 (2016: 29).

Cherryholme House Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

6. Tangible assets

	Freehold property £	Fixtures, fittings & equipment £	Equipment £	Crockery & linen £	Total £
Cost					
At 1 September 2016	237,957	103,068	1,059	3,305	345,389
Additions	–	17,654	–	1,670	19,324
At 31 August 2017	237,957	120,722	1,059	4,975	364,713
Depreciation					
At 1 September 2016	4,363	23,620	243	303	28,529
Charge for the year	4,758	24,275	204	467	29,704
At 31 August 2017	9,121	47,895	447	770	58,233
Carrying amount					
At 31 August 2017	228,836	72,827	612	4,205	306,480
At 31 August 2016	233,594	79,448	816	3,002	316,860

7. Debtors

	2017 £	2016 £
Trade debtors	14,399	47,254
Amounts owed by group undertakings and undertakings in which the company has a participating interest	2	3,832
Other debtors	191	196
	14,592	51,282

Other debtors

	2017 £	2016 £
Prepayments and accrued income	191	196

8. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	3,438	23,431
Amounts owed to group undertakings and undertakings in which the company has a participating interest	240,192	336,917
Corporation tax	37,110	–
Social security and other taxes	4,260	2,504
Other creditors	30,386	23,685
	315,386	386,537

Cherryholme House Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

8. Creditors: amounts falling due within one year *(continued)*

Other creditors	2017	2016
	£	£
Accruals and deferred income	24,734	21,964
Other	5,652	1,721
	<u>30,386</u>	<u>23,685</u>

9. Provisions

	Deferred tax (note 10)
	£
At 1 September 2016	20,017
Unused amounts reversed	(5,265)
At 31 August 2017	<u>14,752</u>

10. Deferred tax

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

	2017	2016
	£	£
Included in provisions (note 9)	<u>14,752</u>	<u>20,017</u>

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

	2017	2016
	£	£
Accelerated capital allowances	<u>14,752</u>	<u>20,017</u>

11. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

12. Reserves

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

13. Summary audit opinion

The auditor's report for the year dated 29 May 2018 was unqualified.

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

Cherryholme House Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

14. 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.

15. Controlling party

The ultimate parent undertaking is Lindemann Healthcare Ltd (SC155229), a company registered in Scotland. The address of the registered office is 29 York Place, Edinburgh, EH1 3HP. Consolidated accounts for Lindemann Healthcare Ltd are available from Companies House, 4th Floor, 139 Fountainbridge, Edinburgh, EH3 9FF.