

**Chapel Lodge Care Limited**

Report and Financial Statements

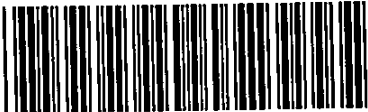
Period Ended

31 March 2011

Company Number 07261064

THU

SATURDAY

  
\*A11IL788\*  
A40 28/01/2012 #100  
COMPANIES HOUSE  
-----  
\*A0P819OA\*  
A11 29/12/2011 #80  
COMPANIES HOUSE

# **Chapel Lodge Care Limited**

**Report and financial statements  
for the period ended 31 March 2011**

---

## **Contents**

### **Page:**

1	Report of the directors
3	Independent auditor's report
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

---

## **Directors**

B Bernard  
S McDonald

## **Secretary and registered office**

P Jones, 32 Victoria Street, Brierley Hill, West Midlands, DY5 1RD

## **Company number**

07261064

## **Auditors**

BDO LLP, 125 Colmore Row, Birmingham, B3 3SD

# **Chapel Lodge Care Limited**

## **Report of the directors for the period ended 31 March 2011**

---

The directors present their report together with the audited financial statements for the period ended 31 March 2011

### **Results**

The profit and loss account is set out on page 5 and shows the loss for the period

### **Principal activities**

The company's principal activity is the operation of nursing and residential homes

### **Indemnity provision**

Third party indemnity cover for the directors was in place during the financial year and at the year end

### **Incorporation**

The company was incorporated on 21 May 2010. The accounts are therefore for the 10 month period to 31 March 2011

### **Directors**

The directors of the company during the period were

B Bernard (appointed 21 May 2010)  
S McDonald (appointed 21 May 2010)

### **Directors' responsibilities**

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 of 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 judgements 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.

# Chapel Lodge Care Limited

## Report of the directors for the period ended 31 March 2011 (*continued*)

---

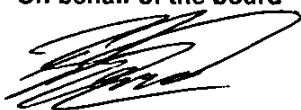
### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP were appointed as auditors during the period and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

### On behalf of the board



B Bernard

### Director

21-12-11

# **Chapel Lodge Care Limited**

## **Independent auditor's report**

---

### **To the members of Chapel Lodge Care Limited**

We have audited the financial statements of Chapel Lodge Care Limited for the 10 month period ended 31 March 2011 which comprise the profit and loss account, the balance sheet 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors are 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 March 2011 and of its loss for the period 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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

## Chapel Lodge Care Limited

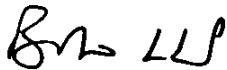
### Independent auditor's report (*continued*)

---

#### 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime



Stephen Ward (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Birmingham  
United Kingdom

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

22 December 2011

# Chapel Lodge Care Limited

## Profit and loss account for the period ended 31 March 2011

		Continuing operations	Acquisitions	Total
		10 months ended	10 months ended	10 months ended
	Note	31 March 2011	31 March 2011	31 March 2011
		£	£	£
<b>Turnover</b>	2	-	147,531	147,531
Cost of sales		-	116,848	116,848
<b>Gross profit</b>		-	30,683	30,683
Administrative expenses		-	38,199	38,199
<b>Operating loss</b>	3	-	(7,516)	(7,516)
Interest payable and similar charges	6			(48,533)
<b>Loss on ordinary activities before taxation</b>				(56,049)
Taxation on loss on ordinary activities	7			(538)
<b>Loss on ordinary activities after taxation</b>				(56,587)

All amounts relate to continuing activities

All recognised gains and losses in the current period are included in the profit and loss account

The notes on pages 7 to 14 form part of these financial statements

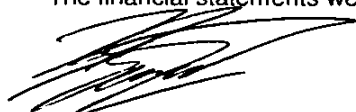
# Chapel Lodge Care Limited

## Balance sheet at 31 March 2011

<i>Company number 07261064</i>	Note	31 March 2011 £	31 March 2011 £
<b>Fixed assets</b>			
Tangible assets	8		1,092,752
<b>Current assets</b>			
Debtors	9	110,916	
Cash at bank and in hand		300	
		<u>111,216</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>102,354</u>	
<b>Net current assets</b>			<u>8,862</u>
<b>Total assets less current liabilities</b>			<u>1,101,614</u>
<b>Creditors: amounts falling due after more than one year</b>	11	1,157,662	
<b>Provisions for liabilities</b>	12	<u>538</u>	
			<u>1,158,200</u>
			<u>(56,586)</u>
<b>Capital and reserves</b>			
Called up share capital	13		1
Profit and loss account	14		<u>(56,587)</u>
<b>Shareholders' deficit</b>	15		<u>(56,586)</u>

These financial statements have been prepared 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 21-12-11



B Bernard  
Director

The notes on pages 7 to 14 form part of these financial statements



# Chapel Lodge Care Limited

## Notes forming part of the financial statements for the period ended 31 March 2011

---

### 1 Accounting policies

The financial statements have been prepared under the historical cost convention

The following principal accounting policies have been applied

#### *Going Concern*

At 31 March 2011 the company had net liabilities of £56,586. The company made a loss of £56,587 for the period ended 31 March 2011.

The financial statements have been prepared on the going concern basis. The company is funded through intercompany loans and the company has an agreement that the amounts due will not be repaid for a period of at least 12 months from the date of these financial statements.

The directors have considered the principal risks and uncertainties that apply to the business and after making enquiries the directors have a reasonable expectation that the company has the support of its ultimate shareholder for a period of at least 12 months from the date of these accounts and accordingly they continue to adopt the going concern basis in preparing these financial statements.

#### *Cash flow statement*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Select Health Care Limited and the company is included in consolidated financial statements.

#### *Turnover*

Turnover represents amounts receivable for goods and services provided in the UK in respect of the principal activity of the company.

#### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties and freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold property	- 2% per annum
Motor vehicles	- 25% per annum
Fixtures and fittings	- 25% per annum

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

# Chapel Lodge Care Limited

## Notes forming part of the financial statements for the period ended 31 March 2011 (*continued*)

### 1 Accounting policies (*continued*)

#### *Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

#### *Related party disclosures*

The company is a wholly owned subsidiary of Select Health Care Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with Select Health Care Limited or other wholly owned subsidiaries within the group.

### 2 Turnover

Turnover arises solely within the United Kingdom.

### 3 Operating loss

	<b>10 months ended 31 March 2011 £</b>
This is arrived at after charging	
Depreciation of tangible fixed assets	4,835
Operating leases other	761
	<hr/>

Auditors' remuneration has been borne by a fellow group company.

## Chapel Lodge Care Limited

Notes forming part of the financial statements  
for the period ended 31 March 2011 (*continued*)

### 4 Employees

Staff costs (including directors) consist of

	10 months ended 31 March 2011 £
Wages and salaries	88,056
Social security costs	6,572
	<hr/>
	94,628
	<hr/>

The average number of employees (including directors) during the period was as follows

	10 months ended 31 March 2011 Number
Nursing and administration staff	55
Directors	2
	<hr/>
	57
	<hr/>

### 5 Directors' remuneration

No director received any emoluments during the current period

### 6 Interest payable and similar charges

	10 months ended 31 March 2011 £
Shareholder loan interest	48,533
	<hr/>

# Chapel Lodge Care Limited

Notes forming part of the financial statements  
for the period ended 31 March 2011 (*continued*)

## 7 Taxation on loss on ordinary activities

	10 months ended 31 March 2011 £
<i>Deferred tax</i>	
Origination and reversal of timing differences	538

## 8 Tangible fixed assets

	Freehold land and buildings £	Fixtures & fittings, motor vehicles £	Total £
<i>Cost</i>			
Additions	1,081,600	-	1,081,600
Transfers	-	72,784	72,784
At 31 March 2011	1,081,600	72,784	1,154,384
<i>Depreciation</i>			
Provided for the period	3,651	1,184	4,835
Transfers	-	56,797	56,797
At 31 March 2011	3,651	57,981	61,632
<i>Net book value</i>			
At 31 March 2011	1,077,949	14,803	1,092,752

## 9 Debtors

	31 March 2011 £
Amounts receivable within one year	
Trade debtors	20,173
Prepayments and accrued income	7,729
	27,902

# Chapel Lodge Care Limited

Notes forming part of the financial statements  
for the period ended 31 March 2011 (*continued*)

## 9 Debtors (*continued*)

	31 March 2011 £
Amounts receivable after more than one year	
Amounts owed by entities under common control	83,014
	<hr/>
Total debtors	110,916
	<hr/>
Amounts due from group undertakings and entities under common control are non-interest bearing and have no set repayment date	

## 10 Creditors: amounts falling due within one year

	31 March 2011 £
Trade creditors	40,894
Other taxation and social security	23,505
Other creditors	37,051
Accruals and deferred income	904
	<hr/>
	102,354
	<hr/>

## 11 Creditors: amounts falling due after more than one year

	31 March 2011 £
Amounts owed to group undertakings	11,387
Amounts owed to entities under common control	57,742
Shareholder loan	1,088,533
	<hr/>
	1,157,662
	<hr/>

Amounts due to group undertakings and entities under common control are non-interest bearing and have no set repayment date

The shareholder loan incurs interest at a rate of 7% per annum

# Chapel Lodge Care Limited

Notes forming part of the financial statements  
for the period ended 31 March 2011 (*continued*)

## 12 Provisions for liabilities

Deferred  
taxation  
£

Charged to the profit and loss account and at 31 March 2011

538

## 13 Share capital

31 March  
2011  
£

*Allotted, called up and fully paid*

1 ordinary share of £1 each

1

## 14 Reserves

Profit and  
loss account  
£

Loss for the period

(56,587)

At 31 March 2011

(56,587)

## 15 Reconciliation of movements in shareholders' deficit

31 March  
2011  
£

Loss for the period

(56,587)

Issue of shares

1

Net deductions from shareholders' deficit

(56,586)

Opening shareholders' funds

-

Closing shareholders' deficit

(56,586)

## Chapel Lodge Care Limited

Notes forming part of the financial statements  
for the period ended 31 March 2011 (*continued*)

### 16 Acquisitions

#### *Acquisition of Chapel Lodge Care Home*

On 1 February 2011 the trade and assets of a care home were transferred from Union Healthcare (North) Limited, an entity under common control. In calculating the goodwill arising on acquisition, the fair value of the net assets of the home have been assessed and adjustments from book value have been made where necessary.

	Book and fair value £
Fixed assets	
Tangible	15,988
Current assets	
Debtors	6,446
Cash at bank and in hand	300
	<hr/>
Total assets	22,734
Creditors	
Due within one year	44,185
	<hr/>
Net assets	(21,451)
	<hr/>
	£
Intercompany loan account	(21,451)
Net assets acquired	(21,451)
	<hr/>
Goodwill arising on acquisition	-
	<hr/>

The profit after tax of Chapel Lodge Care Limited from the beginning of its financial year to the date of acquisition was £nil.

# Chapel Lodge Care Limited

Notes forming part of the financial statements  
for the period ended 31 March 2011 *(continued)*

## 17 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	Other 31 March 2011 £
Operating leases which expire	
Within one year	307
	<u>307</u>

## 18 Related party disclosures

*Related party transactions and balances*

	Amounts owed by related parties £	Amounts owed to related parties £
<b>Related party</b>		
Select Healthcare 2006 Limited	-	57,694
Choicecare 2000 Limited	-	48
Union Healthcare North Limited	83,014	-
	<u>83,014</u>	<u>57,742</u>

The parties above are all entities under common control

*Loans and transactions concerning directors and officers of the company*

At 31 March 2011 a loan balance of £1,088,533 was owed to R Bernard, the ultimate owner

## 19 Ultimate parent company and parent undertaking of larger group

The ultimate parent company is Select Healthcare Limited which is wholly owned by R Bernard

The largest and smallest group in which the results of the company are consolidated is that headed by Select Healthcare Limited, incorporated in Great Britain. The consolidated accounts of this company are available to the public and may be obtained from Companies House. No other group accounts include the results of the company.