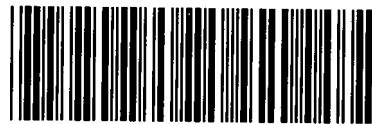


COMPANY REGISTRATION NUMBER: 4935691

**Hallmark Care Homes (Maesteg) Limited**  
**Financial Statements**  
**31 March 2016**

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# **Hallmark Care Homes (Maesteg) Limited**

## **Directors' Report**

### **Year ended 31 March 2016**

The directors present their report and the financial statements of the company for the year ended 31 March 2016.

#### **Principal activities**

The principal activity of the company during the year was the management of a residential care home.

#### **Directors**

The directors who served the company during the year were as follows:

Mr AM Goyal  
Mr RK Goyal

#### **Directors' responsibilities statement**

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.

#### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

# Hallmark Care Homes (Maesteg) Limited

## Directors' Report *(continued)*

**Year ended 31 March 2016**

### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 21 December 2016 and signed on behalf of the board by:



Mr RK Goyal  
Director

Registered office:  
2 Kingfisher House  
Woodbrook Crescent  
Radford Way  
Billericay  
Essex  
CM12 0EQ

# **Hallmark Care Homes (Maesteg) Limited**

## **Independent Auditor's Report to the Member of Hallmark Care Homes (Maesteg) Limited**

**Year ended 31 March 2016**

I have audited the financial statements of Hallmark Care Homes (Maesteg) Limited for the year ended 31 March 2016 which comprise the statement of income and retained earnings, statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My 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 me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **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 directors; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### **Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 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 my opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Hallmark Care Homes (Maesteg) Limited

## Independent Auditor's Report to the Member of Hallmark Care Homes (Maesteg) Limited *(continued)*

**Year ended 31 March 2016**

### **Matters on which I am required to report by exception**

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by me; 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
- I have not received all the information and explanations I require for my audit; and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Timothy Saxon (Senior Statutory Auditor)  
For and on behalf of  
TJ Saxon  
Chartered Accountant & Statutory Auditor

43 Hagley Road  
Stourbridge  
West Midlands  
DY8 1QR

21 December 2016

# Hallmark Care Homes (Maesteg) Limited

## Statement of Income and Retained Earnings

Year ended 31 March 2016

	Note	2016 £	2015 £
Turnover	4	1,874,768	1,793,970
Cost of sales		(131,224)	(122,410)
<b>Gross profit</b>		<b>1,743,544</b>	<b>1,671,560</b>
Administrative expenses		(1,365,838)	(1,252,931)
<b>Operating profit</b>	5	<b>377,706</b>	<b>418,629</b>
Interest payable and similar charges	6	(62,181)	(59,546)
<b>Profit on ordinary activities before taxation</b>		<b>315,525</b>	<b>359,083</b>
Tax on profit on ordinary activities	7	(86,284)	(76,171)
<b>Profit for the financial year and total comprehensive income</b>		<b><u>229,241</u></b>	<b><u>282,912</u></b>
<b>Retained earnings at the start of the year</b>		<b>1,471,701</b>	<b>1,188,789</b>
<b>Retained earnings at the end of the year</b>		<b><u>1,700,942</u></b>	<b><u>1,471,701</u></b>

All the activities of the company are from continuing operations.

The notes on pages 7 to 13 form part of these financial statements.

# Hallmark Care Homes (Maesteg) Limited

## Statement of Financial Position

31 March 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Intangible assets	8	379	429
Tangible assets	9	<u>1,190,275</u>	<u>1,200,194</u>
		<b>1,190,654</b>	<b>1,200,623</b>
<b>Current assets</b>			
Debtors	10	3,180,726	3,091,139
Cash at bank and in hand		<u>100,587</u>	<u>45,248</u>
		<b>3,281,313</b>	<b>3,136,387</b>
<b>Creditors: amounts falling due within one year</b>	11	<u>(427,091)</u>	<u>(423,561)</u>
<b>Net current assets</b>		<b>2,854,222</b>	<b>2,712,826</b>
<b>Total assets less current liabilities</b>		<b>4,044,876</b>	<b>3,913,449</b>
<b>Creditors: amounts falling due after more than one year</b>	12	<u>(2,343,933)</u>	<u>(2,441,747)</u>
<b>Net assets</b>		<b><u>1,700,943</u></b>	<b><u>1,471,702</u></b>
<b>Capital and reserves</b>			
Called up share capital	15	1	1
Profit and loss account	16	<u>1,700,942</u>	<u>1,471,701</u>
<b>Member funds</b>		<b><u>1,700,943</u></b>	<b><u>1,471,702</u></b>

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

These financial statements were approved by the board of directors and authorised for issue on 21 December 2016, and are signed on behalf of the board by:



Mr RK Goyal  
Director

Company registration number: 4935691

The notes on pages 7 to 13 form part of these financial statements.

# Hallmark Care Homes (Maesteg) Limited

## Notes to the Financial Statements

Year ended 31 March 2016

### 1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 2 Kingfisher House, Woodbrook Crescent, Radford Way, Billericay, CM12 0EQ, Essex.

### 2. Statement of compliance

These financial statements have been prepared in compliance with 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.

#### Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 19.

#### Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Hallmark Care Homes Group Holdings Limited which can be obtained from its registered office at 2 Kingfisher House, Woodbrook Crescent, Radford Way, Billericay, Essex, CM12 0EQ. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

#### 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.

#### Revenue recognition

Turnover from the management of a care home is recognised at the fair value of the consideration receivable for the sale of services provided to customers during the year in the normal course of business. Turnover is recognised when services are provided to the customer.

#### 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.



# Hallmark Care Homes (Maesteg) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

### 3. Accounting policies *(continued)*

#### Income tax *(continued)*

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.

#### Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

#### Amortisation

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

Goodwill	- 5% pa straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

#### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

#### Depreciation

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

Freehold buildings	- 2% pa straight line
Plant and machinery	- 12.5% pa straight line
Fixtures and fittings	- 20% pa straight line
Equipment	- 20% pa straight line

Freehold land is not subject to depreciation.

# Hallmark Care Homes (Maesteg) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

### 3. Accounting policies *(continued)*

#### 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.

#### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

### 4. Turnover

Turnover arises from:

	2016 £	2015 £
Care home income	<u>1,874,768</u>	<u>1,793,970</u>

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

### 5. Operating profit

Operating profit or loss is stated after charging:

	2016 £	2015 £
Amortisation of intangible assets	50	54
Depreciation of tangible assets	32,118	30,972
Impairment of trade debtors	–	53
Fees payable for the audit of the financial statements	<u>750</u>	<u>720</u>

The auditor's remuneration is inclusive of irrecoverable value added tax. The auditor did not receive any fees for non-audit services.

### 6. Interest payable and similar charges

	2016 £	2015 £
Interest on bank loan	61,161	58,334
Interest on corporation tax payable	<u>1,020</u>	<u>1,212</u>
	<u>62,181</u>	<u>59,546</u>

# Hallmark Care Homes (Maesteg) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

### 7. Tax on profit on ordinary activities

#### Major components of tax expense

	2016 £	2015 £
<b>Current tax:</b>		
UK current tax expense	66,200	78,592
Adjustments in respect of prior periods	368	(3,986)
Total current tax	<u>66,568</u>	<u>74,606</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	19,716	1,565
<b>Tax on profit on ordinary activities</b>	<u>86,284</u>	<u>76,171</u>

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 21%).

	2016 £	2015 £
Profit on ordinary activities before taxation	315,525	359,083
Profit on ordinary activities by rate of tax	63,105	75,407
Adjustment to tax charge in respect of prior periods	20,084	(2,255)
Effect of expenses not deductible for tax purposes	2,876	3,019
Depreciation for period in excess of capital allowances	88	—
Sundry adjustments	131	—
Tax on profit on ordinary activities	<u>86,284</u>	<u>76,171</u>

The deferred tax charge for the year includes a charge of £19,716 (2015 - £1,731) in respect of the prior year.

# Hallmark Care Homes (Maesteg) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

### 8. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 Apr 2015 and 31 Mar 2016	<u>1,000</u>
<b>Amortisation</b>	
At 1 April 2015	571
Charge for the year	<u>50</u>
<b>At 31 March 2016</b>	<u>621</u>
<b>Carrying amount</b>	
At 31 March 2016	<u>379</u>
At 31 March 2015	<u>429</u>

### 9. Tangible assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>					
At 1 April 2015	1,318,906	200,854	78,517	3,965	<b>1,602,242</b>
Additions	–	12,541	7,157	2,501	<b>22,199</b>
Disposals	–	–	(17,096)	(570)	<b>(17,666)</b>
<b>At 31 March 2016</b>	<u>1,318,906</u>	<u>213,395</u>	<u>68,578</u>	<u>5,896</u>	<u><b>1,606,775</b></u>
<b>Depreciation</b>					
At 1 April 2015	164,327	199,444	36,441	1,836	<b>402,048</b>
Charge for the year	14,378	1,725	15,070	945	<b>32,118</b>
Disposals	–	–	(17,096)	(570)	<b>(17,666)</b>
<b>At 31 March 2016</b>	<u>178,705</u>	<u>201,169</u>	<u>34,415</u>	<u>2,211</u>	<u><b>416,500</b></u>
<b>Carrying amount</b>					
At 31 March 2016	<u>1,140,201</u>	<u>12,226</u>	<u>34,163</u>	<u>3,685</u>	<u><b>1,190,275</b></u>
At 31 March 2015	<u>1,154,579</u>	<u>1,410</u>	<u>42,076</u>	<u>2,129</u>	<u><b>1,200,194</b></u>

### 10. Debtors

	2016 £	2015 £
Trade debtors	110,607	108,610
Amounts owed by group undertakings	3,059,386	2,950,366
Deferred tax asset	–	19,716
Prepayments and accrued income	10,733	12,447
	<u><b>3,180,726</b></u>	<u><b>3,091,139</b></u>

# Hallmark Care Homes (Maesteg) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

### 11. Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loan	100,000	104,459
Trade creditors	31,598	68,494
Accruals and deferred income	190,410	141,784
Corporation tax	66,200	78,592
Social security and other taxes	8,645	8,010
Other creditors	30,238	22,222
	<u>427,091</u>	<u>423,561</u>

The bank loan is secured by a fixed and floating charge over the company's assets.

### 12. Creditors: amounts falling due after more than one year

	2016 £	2015 £
Bank loan	<u>2,343,933</u>	<u>2,441,747</u>

The bank loan is secured by a fixed and floating charge over the company's assets.

### 13. Deferred tax

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

	2016 £	2015 £
Included in debtors (note 10)	<u>–</u>	<u>19,716</u>

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

	2016 £	2015 £
Accelerated capital allowances	<u>–</u>	<u>(19,716)</u>

A deferred tax asset amounting to £19,081 (2015 - £Nil) has not been recognised.

### 14. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £5,233 (2015: £2,778).

# Hallmark Care Homes (Maesteg) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

### 15. Called up share capital

Issued, 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>

### 16. Reserves

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

### 17. Charges on assets

The company has guaranteed the bank loans of certain fellow subsidiary undertakings. The guarantee is supported by a fixed and floating charge over the company's assets. At the balance sheet date, the contingent liability in respect of this arrangement amounted to £37,572,772. The directors do not consider that any liability will fall on the company as a result of this contingent liability.

Since the balance sheet date, a fellow subsidiary undertaking has obtained a new bank loan amounting to £7,540,000. The bank loan is part of a wider group financing arrangement under which the company has guaranteed this new bank loan. The directors do not consider that any liability will fall on the company as a result of this additional contingent liability.

### 18. Controlling party

The company's immediate parent undertaking is Hallmark Care Homes Group Limited and its ultimate parent undertaking is Hallmark Care Homes Group Holdings Limited. Each company is registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by Hallmark Care Homes Group Holdings Limited. Copies of the group accounts are available from its registered office at 2 Kingfisher House, Woodbrook Crescent, Radford Way, Billericay, Essex, CM12 0EQ.

### 19. Transition to FRS 102

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

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