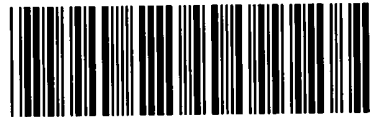


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Company Registration No. 03244266 (England and Wales)

**MOAT HOUSE CARE HOME LTD**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2017**  
**PAGES FOR FILING WITH REGISTRAR**

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# MOAT HOUSE CARE HOME LTD

## COMPANY INFORMATION

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<b>Directors</b>	Mr D Lock Ms Emma Philpott
<b>Secretary</b>	Mrs B Granger
<b>Company number</b>	03244266
<b>Registered office</b>	The Standings Fields Farm Business Centre Hinckley Road Sapcote Leicestershire LE9 4LH
<b>Auditor</b>	Bishop Simmons Limited Mitre House School Road Bulkington Bedworth Warwickshire CV12 9JB
<b>Business address</b>	New Road Burbage Hinckley Leicestershire LE10 2AW

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# MOAT HOUSE CARE HOME LTD

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# MOAT HOUSE CARE HOME LTD

## BALANCE SHEET

AS AT 28 FEBRUARY 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	3	15,226,930		10,940,328	
<b>Current assets</b>					
Debtors	4	3,725,252		2,957,147	
Cash at bank and in hand		34,279		13,581	
		3,759,531		2,970,728	
<b>Creditors: amounts falling due within one year</b>	5	(981,827)		(1,024,629)	
<b>Net current assets</b>		2,777,704		1,946,099	
<b>Total assets less current liabilities</b>		18,004,634		12,886,427	
<b>Creditors: amounts falling due after more than one year</b>	6	(4,356,703)		(4,688,384)	
<b>Provisions for liabilities</b>		(2,166,468)		(44,833)	
<b>Net assets</b>		11,481,463		8,153,210	
<b>Capital and reserves</b>					
Called up share capital	7	150,004		150,004	
Revaluation reserve	8	9,147,349		6,817,011	
Profit and loss reserves		2,184,110		1,186,195	
<b>Total equity</b>		11,481,463		8,153,210	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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 14 August 2017 and are signed on its behalf by:

Mr D Lock  
Director

Company Registration No. 03244266

# MOAT HOUSE CARE HOME LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

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### 1 Accounting policies

#### Company information

Moat House Care Home Ltd is a private company limited by shares incorporated in England and Wales. The registered office is The Standings, Fields Farm Business Centre, Hinckley Road, Sapcote, Leicestershire, LE9 4LH.

#### 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 freehold properties at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business.

Revenue from contracts for the provision of professional 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 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 Freehold	2% on a straight line basis
Fixtures, fittings & equipment	15% on a reducing balance basis
Motor vehicles	25% on a reducing balance basis

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.

#### 1.4 Impairment of fixed assets

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

# MOAT HOUSE CARE HOME LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 28 FEBRUARY 2017

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#### 1 Accounting policies (Continued)

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.

#### 1.5 Cash and cash equivalents

Cash and cash equivalents 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.

#### 1.6 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 balance sheet 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.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

# MOAT HOUSE CARE HOME LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2017

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### 1 Accounting policies (Continued)

#### **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.

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.

### 1.7 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.

### 1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

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

# MOAT HOUSE CARE HOME LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2017

### 1 Accounting policies (Continued)

#### 1.9 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.10 Retirement benefits

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

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 101 (2016 - 100).

### 3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 29 February 2016	10,200,000	2,455,826	12,655,826
Additions	-	36,600	36,600
Revaluation	3,850,000	-	3,850,000
	<hr/>	<hr/>	<hr/>
At 28 February 2017	14,050,000	2,492,426	16,542,426
	<hr/>	<hr/>	<hr/>
<b>Depreciation and impairment</b>			
At 29 February 2016	612,000	1,103,498	1,715,498
Depreciation charged in the year	-	211,998	211,998
Revaluation	(612,000)	-	(612,000)
	<hr/>	<hr/>	<hr/>
At 28 February 2017	-	1,315,496	1,315,496
	<hr/>	<hr/>	<hr/>
<b>Carrying amount</b>			
At 28 February 2017	14,050,000	1,176,930	15,226,930
	<hr/>	<hr/>	<hr/>
At 28 February 2016	9,588,000	1,352,328	10,940,328
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# MOAT HOUSE CARE HOME LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2017

### 4 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	18,237	28,664
Amounts due from group undertakings	3,697,604	2,913,294
Other debtors	9,411	15,189
	<u>3,725,252</u>	<u>2,957,147</u>

Trade debtors disclosed above are measured at amortised cost.

### 5 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	320,000	312,000
Trade creditors	46,441	48,709
Amounts due to group undertakings	214,400	239,688
Corporation tax	177,462	192,351
Other taxation and social security	18,519	25,339
Other creditors	205,005	206,542
	<u>981,827</u>	<u>1,024,629</u>

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

	2017 £	2016 £
Bank loans and overdrafts	<u>4,356,703</u>	<u>4,688,384</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>3,076,703</u>	<u>3,440,384</u>
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The long-term loan is secured by fixed and floating charges over all of the assets of this company as well as the assets of all of the group companies. The original advance in May 2014 was £5,540,000, for an initial term of 10 years. Interest is charged on the loan at 2% above LIBOR.

### 7 Called up share capital

	2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
150,004 Ordinary of £1 each	<u>150,004</u>	<u>150,004</u>

### 8 Revaluation reserve

# MOAT HOUSE CARE HOME LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2017

### 8 Revaluation reserve (Continued)

	2017 £	2016 £
At beginning of year	6,817,011	6,789,924
Revaluation surplus arising in the year	4,462,000	27,087
Deferred tax on revaluation of tangible assets	(2,131,662)	-
At end of year	<u>9,147,349</u>	<u>6,817,011</u>

The Moat House residential premises were valued by Colliers International during September 2016. The market value of the freehold interest in the Moat House residential home as at 20 September 2016 was £14,050,000.

### 9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.  
The auditor was Bishop Simmons Limited.

### 10 Secured borrowing

The long-term loans of the Adept Care group are secured by fixed and floating charge over all of the assets of each group company

### 11 Directors' transactions

Part of the completed Moat House Care Home development was built upon land owned personally by Mr D Lock. Mr Lock has granted a licence to the company, at a peppercorn rent, to occupy the property. Under the terms of the licence Mr Lock has been granted an option to sell the property to the company at an agreed price.

### 12 Parent company

The parent company of Moat House Care Home Limited is Adept Care Homes Limited.

The ultimate controlling party is Mr D Lock (the Managing Director of all of the group companies).