

Canterbury Leased Homes Limited

Report and financial statements

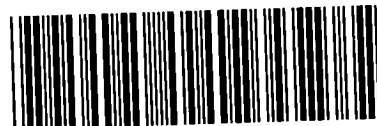
Year ended

30 June 2016

Company Number 05576495



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CANTERBURY LEASED HOMES LIMITED

COMPANY INFORMATION

Directors	K J Groombridge A K Stein
Company secretary	K J Groombridge
Registered number	05576495
Registered office	Drakes Court 302 Alcester Road Wythall Birmingham B47 6JR
Independent auditor	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD
Bankers	Allied Irish (GB) 61 Temple Row Birmingham B2 5LT

CANTERBURY LEASED HOMES LIMITED

CONTENTS

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report	3 - 4
Statement of income and retained earnings	5
Balance sheet	6
Notes to the financial statements	7 - 18
The following pages do not form part of the statutory financial statements:	
Detailed profit and loss account and summaries	19 - 21

CANTERBURY LEASED HOMES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2016

The directors present their report and the financial statements for the year ended 30 June 2016.

Principal activity

The principal activity of the company during the year was the provision of care home services.

Directors

The directors who served during the year were:

K J Groombridge
A K Stein

Financial risk management

The company's operations create a number of financial risks, including liquidity, interest rate rises and customer credit.

The financial performance of the business is monitored closely and forecasting is used to identify peaks and troughs in the cash requirement and plan accordingly. The current level of headroom in the forecasts give the directors confidence that the risk will be managed.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

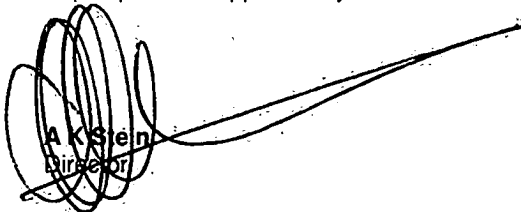
Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on **30 March 2017** and signed on its behalf.


A K Stein
Director

CANTERBURY LEASED HOMES LIMITED

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 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 judgments and accounting estimates that are reasonable and prudent; and
- 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, to disclose with reasonable accuracy at any time the financial position of the company and to 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.

CANTERBURY LEASED HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANTERBURY LEASED HOMES LIMITED

We have audited the financial statements of Canterbury Leased Homes Limited for the year ended 30 June 2016 which comprise the statement of income and retained earnings, 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate

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 30 June 2016 and of its loss 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 matters prescribed by the Companies Act 2006

In our 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.

CANTERBURY LEASED HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANTERBURY LEASED HOMES LIMITED

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 and to the exemption from the requirement to prepare a strategic report.

BDO LLP

31 March 2017

Martin Gill (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Edinburgh
United Kingdom

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

CANTERBURY LEASED HOMES LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 30 JUNE 2016

	Note	Year ended 30 June 2016 £	18 months ended 30 June 2015 £
Turnover	4	849,785	2,037,817
Cost of sales		(566,274)	(1,434,835)
Gross profit		283,511	602,982
Administrative expenses		(301,387)	(831,740)
Net profit on sale of operation	5	-	217,665
Operating loss	6	(17,876)	(11,093)
Tax on loss	8	(16,692)	32,361
(Loss)/profit after tax		(34,568)	21,268
Retained earnings at the beginning of the year		39,144	17,876
		39,144	17,876
(Loss)/profit for the year		(34,568)	21,268
Retained earnings at the end of the year		4,576	39,144

The notes on pages 7 to 18 form part of these financial statements.

CANTERBURY LEASED HOMES LIMITED
REGISTERED NUMBER: 05576495

BALANCE SHEET
AS AT 30 JUNE 2016

	Note	2016 £	2015 £
Tangible fixed assets	9	90,068	88,981
		<u>90,068</u>	<u>88,981</u>
Current assets			
Debtors: amounts falling due within one year	10	105,790	459,209
Cash at bank and in hand	11	23,627	13,582
		<u>129,417</u>	<u>472,791</u>
Creditors: amounts falling due within one year	12	(137,471)	(438,746)
Net current (liabilities)/assets		<u>(8,054)</u>	<u>34,045</u>
Total assets less current liabilities		<u>82,014</u>	<u>123,026</u>
Creditors: amounts falling due after more than one year	13	(77,338)	(83,782)
		<u>4,676</u>	<u>39,244</u>
Net assets / (liabilities)		<u><u>4,676</u></u>	<u><u>39,244</u></u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account	17	4,576	39,144
		<u>4,676</u>	<u>39,244</u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

30 March 2017


A K Stein
Director

The notes on pages 7 to 18 form part of these financial statements.

CANTERBURY LEASED HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. General information

The company is a members limited liability company (limited by shares) and has registered office address and company number as noted on the company information page. The principal activity is as described in the directors' report. The company was incorporated in England, UK, on 28 September 2005.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 21.

This is the first period in which the financial statements have been prepared under FRS 102 with the transition date being 1 January 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Canterbury Care Holdings Limited as at 30 June 2016 and these financial statements may be obtained from Companies House.

2.3 Going concern

The company made a loss before taxation for the year of £17,876 (2015 - profit of £11,093). The directors have prepared cashflow projections which show that the company can meet liabilities as they fall due for at least the next 12 months.

The directors have therefore prepared the financial statements on the going concern basis. The financial statements do not include any adjustments that would result should the company be unable to continue as a going concern.

CANTERBURY LEASED HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2. Accounting policies (continued)

2.4 Revenue

Turnover comprises revenue recognised by the company in respect of residents fees in the period. The revenue is recognised in the period that the services are provided, on an accruals basis.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long Term Leasehold Property	- over the 35 year period of the lease
Fixtures & fittings	- 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

CANTERBURY LEASED HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2. Accounting policies (continued)

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (1 January 2014) to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.10 Purchase, sale and leaseback

The profit made on the sale of properties that are leased back is amortised over the period of the lease.

2.11 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

CANTERBURY LEASED HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, the directors have identified the following area which is deemed to be a critical accounting policy or involves significant levels of estimation uncertainty.

Tangible Fixed Assets

The directors review the carrying value of the fixed assets for any indication of impairment. In making the decision the directors consider the underlying performance of the care homes and general market conditions.

4. Turnover

The whole of the turnover is attributable to the provision of care home services.

All turnover arose within the United Kingdom.

CANTERBURY LEASED HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

5. Exceptional items

	Year ended 30 June 2016 £	18 months ended 30 June 2015 £
Release of profit on sale and leaseback	-	240,199
Loss on sale of tangible fixed assets and goodwill	-	(22,534)
	<u>-</u>	<u>217,665</u>

During the prior period the company sold the lease, and therefore the associated trade and goodwill, of one of the care homes. The loss on disposal of fixed assets and goodwill along with the release of the deferred profit arising on the previous sale and leaseback of the property have been treated as exceptional.

6. Operating loss

The operating loss is stated after charging:

	Year ended 30 June 2016 £	18 months ended 30 June 2015 £
Depreciation of tangible fixed assets	28,804	29,213
Amortisation of intangible assets, including goodwill	-	1,042
Other operating lease rentals	126,680	357,441
Defined contribution pension cost	1,263	3,623
	<u>156,747</u>	<u>391,319</u>

During the year, no director received any emoluments (2015 - £NIL).

CANTERBURY LEASED HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

7. Auditor's remuneration

	Year ended 30 June 2016 £	18 months ended 30 June 2015 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	4,000	9,225
	<u>4,000</u>	<u>9,225</u>
Fees payable to the company's auditor and its associates in respect of:		
Other services supplied pursuant to such legislation	1,000	1,000
Other services relating to taxation	1,250	2,615
	<u>2,250</u>	<u>3,615</u>

8. Taxation

	Year ended 30 June 2016 £	18 months ended 30 June 2015 £
Corporation tax		
Adjustments in respect of previous periods	-	(18,073)
	<u>-</u>	<u>(18,073)</u>
Total current tax	<u>-</u>	<u>(18,073)</u>
Deferred tax		
Origination and reversal of timing differences	16,692	(14,288)
Total deferred tax	<u>16,692</u>	<u>(14,288)</u>
Taxation on profit/(loss) on ordinary activities	<u>16,692</u>	<u>(32,361)</u>

CANTERBURY LEASED HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

8. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.49%). The differences are explained below:

	Year ended 30 June 2016 £	18 months ended 30 June 2015 £
Loss on ordinary activities before tax	(17,876)	(11,093)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.49%)	(3,575)	(2,273)
Effects of:		
Adjustments to tax charge in respect of prior periods	7,925	(18,073)
Other timing differences leading to an increase (decrease) in taxation	14,730	(14,288)
Unrelieved tax losses carried forward	(2,388)	2,273
Total tax charge for the year/period	16,692	(32,361)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

CANTERBURY LEASED HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

9. Tangible fixed assets

	L/Term Leasehold Property £	Fixtures & fittings £	Total £
Cost			
At 1 July 2015	80,146	192,975	273,121
Additions	15,691	14,200	29,891
At 30 June 2016	95,837	207,175	303,012
Depreciation			
At 1 July 2015	6,670	177,470	184,140
Charge for the year	3,939	24,865	28,804
At 30 June 2016	10,609	202,335	212,944
Net book value			
At 30 June 2016	85,228	4,840	90,068
At 30 June 2015	73,476	15,505	88,981

CANTERBURY LEASED HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

10. Debtors

	2016 £	2015 £
Trade debtors	54,948	86,609
Amounts owed by group undertakings	30,398	329,918
Prepayments and accrued income	20,444	25,990
Deferred taxation (see note 14)	-	16,692
	<u>105,790</u>	<u>459,209</u>

11. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	23,627	13,584
	<u>23,627</u>	<u>13,584</u>

12. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	50,479	56,436
Amounts owed to group undertakings	-	237,503
Other taxation and social security	7,780	5,718
Other creditors	19,270	42,133
Accruals and deferred income	59,942	96,956
	<u>137,471</u>	<u>438,746</u>

13. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Other creditors	77,338	83,782
	<u>77,338</u>	<u>83,782</u>

CANTERBURY LEASED HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

14. Financial instruments

	2016 £	2015 £
Financial assets		
Cash and cash equivalents	23,627	13,584
Financial assets measured at amortised cost	87,704	416,527
	<u>111,331</u>	<u>430,111</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(117,345)	(416,671)
	<u>(117,345)</u>	<u>(416,671)</u>

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group companies, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

15. Deferred taxation

	2016 £	2015 £
At beginning of year	16,692	2,404
Charged to profit or loss	(16,692)	14,288
	<u></u>	<u></u>

The deferred tax asset is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	-	16,692
	<u>-</u>	<u>16,692</u>

CANTERBURY LEASED HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

16. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

Each share holds equal voting rights of the company.

17. Reserves

Profit & loss account

The profit and loss account reserve represents the cumulative profits and losses of the company.

Share capital

Called up share capital reserve represents the nominal value of the shares issued.

18. Commitments under operating leases

At 30 June 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	152,000	152,000
Later than 1 year and not later than 5 years	608,000	608,000
Later than 5 years	3,107,879	3,259,879
	<u>3,867,879</u>	<u>4,019,879</u>

19. Related party transactions

The company has taken advantage of the exemption contained within FRS 102 not to disclose transactions within the group.

Key management personnel consists of only the directors, who are remunerated through the parent company.

20. Ultimate parent undertaking and controlling party

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is Canterbury Care Holdings Limited, the ultimate parent company of Canterbury Leased Homes Limited. The accounts of Canterbury Care Holdings Limited are available from Companies House, Edinburgh.

Canterbury Care Holdings Limited is controlled by its directors.

CANTERBURY LEASED HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

21. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.