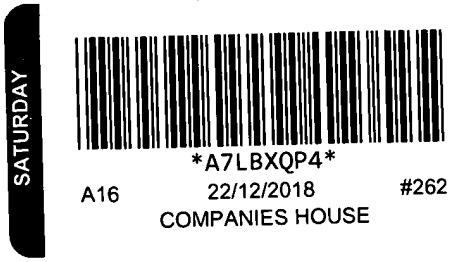
COMPANY REGISTRATION NUMBER: 4935691

Hallmark Care Homes (Maesteg) Limited

Filleted Financial Statements

31 March 2018



Hallmark Care Homes (Maesteg) Limited

Statement of Financial Position

31 March 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Intangible assets	5		**279**		329
Tangible assets	6		**1,155,704**		1,176,106
			1,155,983		1,176,435
Current assets					
Debtors	7	**1,104,855**		3,408,284	
Cash at bank and in hand		**36,323**		122,739	
		1,141,178		3,531,023	
Creditors: amounts falling due within one year	8	**(227,338)**		(496,239)	
Net current assets			**913,840**		3,034,784
Total assets less current liabilities			**2,069,823**		4,211,219
Creditors: amounts falling due after more than one year	9		**–**		(2,243,933)
Net assets			**2,069,823**		1,967,286
Capital and reserves					
Called up share capital	10		**1**		1
Profit and loss account	11		**2,069,822**		1,967,285
Shareholder's funds			**2,069,823**		1,967,286

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 statement of income and retained earnings has not been delivered.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

The notes on pages 3 to 9 form part of these financial statements.

Statement of Financial Position *(continued)*

31 March 2018

These financial statements were approved by the board of directors and authorised for issue on 20 December 2018, and are signed on behalf of the board by:



Mr AM Goyal
Director

Company registration number: 4935691

Hallmark Care Homes (Maesteg) Limited

Notes to the Financial Statements

Year ended 31 March 2018

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 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. The financial statements are prepared in sterling, which is the functional currency of the entity.

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. The actual results may differ from these results.

The judgements, estimates and assumptions which have a significant risk of material adjustment to the carrying value of assets and liabilities are:

Depreciation of tangible fixed assets:

Tangible fixed assets, other than freehold land, are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal value.

Trade and other debtors:

The company has recognised impairment provisions in respect of bad and doubtful trade and other debtors. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

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

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits repayable on demand with any qualifying financial institution, less overdrafts from any qualifying financial institution repayable on demand together with short term investments. Deposits are repayable on demand if they can be withdrawn at any time without notice and without penalty or if a maturity or period of notice of not more than 24 hours or one working day has been agreed.

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.

Holiday pay accrual

A liability is recognised to the extent any unused holiday pay entitlement has accrued at the reporting date and has been carried forward to future periods. This is measured at the undiscounted payroll cost of the future holiday entitlement.

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.

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

3. Accounting policies *(continued)*

Amortisation *(continued)*

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 historical cost and subsequently stated at cost less any accumulated depreciation and 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. Repairs and maintenance are charged to the Statement of Comprehensive Income in the year they are incurred.

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.

The residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, 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.

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.

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 are largely independent of the cash inflows from other assets or groups of assets.

3. Accounting policies *(continued)*

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets:

Financial assets comprise cash at bank, short term investments, trade debtors, other debtors, and other loans. These are initially recorded at cost on the date they originate and are subsequently recorded at amortised cost under the effective interest method, if applicable. The company considers evidence of impairment for all individual trade and other debtors, and any resultant impairment is recognised in the Statement of Comprehensive Income.

Impairment of financial assets:

Impairment provisions are recognised when there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulties of the counterparty, default or significant delays in payment. Impairment provisions represent the difference between the carrying amount of a financial asset and the value of the expected future cash receipts from that asset.

Financial liabilities:

Financial liabilities comprise other loans, trade creditors, other creditors and accruals and deferred income; these are initially recorded, and subsequently carried, at cost on the date they originate.

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. Employee numbers

The average number of persons employed by the company during the year amounted to 83 (2017: 82).

5. Intangible assets

	Goodwill £
Cost	
At 1 April 2017 and 31 March 2018	**1,000**
Amortisation	
At 1 April 2017	**671**
Charge for the year	**50**
At 31 March 2018	**721**
Carrying amount	
At 31 March 2018	**279**
At 31 March 2017	329

6. Tangible assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
Cost					
At 1 April 2017	1,318,906	213,395	74,810	4,602	**1,611,713**
Additions	–	3,994	7,258	–	**11,252**
Disposals	–	(8,591)	(18,262)	–	**(26,853)**
At 31 March 2018	1,318,906	208,798	63,806	4,602	**1,596,112**
Depreciation					
At 1 April 2017	193,083	203,076	37,507	1,941	**435,607**
Charge for the year	14,378	1,817	14,537	922	**31,654**
Disposals	–	(8,591)	(18,262)	–	**(26,853)**
At 31 March 2018	207,461	196,302	33,782	2,863	**440,408**
Carrying amount					
At 31 March 2018	1,111,445	12,496	30,024	1,739	**1,155,704**
At 31 March 2017	1,125,823	10,319	37,303	2,661	1,176,106

7. Debtors

	2018 £	2017 £
Trade debtors	**75,550**	312,726
Amounts owed by group undertakings	**994,364**	3,081,221
Prepayments and accrued income	**31,581**	11,226
Other debtors	**3,360**	3,111
	1,104,855	3,408,284

8. Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loan	–	100,000
Trade creditors	**41,360**	39,874
Amounts owed to group undertakings	–	75,000
Accruals and deferred income	**72,463**	140,409
Corporation tax	**31,000**	69,062
Social security and other taxes	**12,602**	10,800
Other creditors	**69,913**	61,094
	227,338	496,239

9. Creditors: amounts falling due after more than one year

	2018 £	2017 £
Bank loan	–	2,243,933

10. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	**1**	**1.00**	1	1.00

11. Reserves

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

12. Charges on assets

The company has guaranteed the bank loans of its ultimate parent undertaking, Hallmark Care Homes Group Holdings Limited. The guarantee is supported by a fixed and floating charge over the company's assets. At the reporting date, the contingent liability in respect of this arrangement amounted to £50,294,000. The directors do not consider that any liability will fall on the company as a result of this contingent liability.

13. Summary audit opinion

The auditor's report for the year dated 20 December 2018 was unqualified. The statutory auditor was Timothy Saxon.

14. 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.