

**COMPANY REGISTRATION NUMBER 5182431**

**HALLMARK CARE HOMES (PENTWYN) LIMITED**  
**FINANCIAL STATEMENTS**  
**31 MARCH 2013**

**TUESDAY**



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**HALLMARK CARE HOMES (PENTWYN) LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2013**

<b>CONTENTS</b>	<b>PAGE</b>
Directors' report	<b>1</b>
Independent auditor's report to the shareholder	<b>4</b>
Profit and loss account	<b>6</b>
Balance sheet	<b>7</b>
Accounting policies	<b>8</b>
Notes to the financial statements	<b>10</b>

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# **HALLMARK CARE HOMES (PENTWYN) LIMITED**

## **DIRECTORS' REPORT**

### **YEAR ENDED 31 MARCH 2013**

The directors present their report and the financial statements of the company for the year ended 31 March 2013

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

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

The directors are pleased to report a satisfactory trading year. Turnover has increased by 5.7% to £4,098,873 but the operating profit has fallen by 21.6% to £1,080,926 due to a refurbishment programme undertaken during the year. Bank interest payable was virtually the same as the previous year at £110,756. This has resulted in a profit before taxation of £970,170. The company's net assets have increased by £727,596 to £2,140,000. The directors are confident about the continuing financial performance of the business and continue to seek opportunities to develop the business further.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £727,596. The directors have not recommended a dividend.

#### **RISK MANAGEMENT OBJECTIVES AND POLICIES**

As in any trading organisation, the directors acknowledge that as well as rewards, there are risks and uncertainties that need to be constantly monitored. The principal financial risk is an adverse variation in bank interest rates resulting in higher interest payable and reduced profitability. Like all businesses, the company faces a number of operational risks and uncertainties. There are a number of risks that could impact the company's long term performance and steps are taken to understand and evaluate these in order to achieve the objective of creating long-term sustainable returns. The company has a risk management process in place, which is designed to identify, manage and mitigate business risks. Regular reporting of these risks and the monitoring of actions and controls is conducted and reported to the directors and other senior management. The care home market remains competitive and highly regulated. The company holds a licence to operate its care home and receives regular inspections from the relevant authorities to ensure that standards are maintained. The company is dependent upon attracting and retaining quality nursing and other qualified staff and relies on their professionalism and efficiency in satisfying both the needs of residents and health and safety issues. Staff training is undertaken to develop staff and mitigate operational risk associated with providing care to vulnerable people.

#### **DIRECTORS**

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

Mr AM Goyal  
Mr RK Goyal

# **HALLMARK CARE HOMES (PENTWYN) LIMITED**

## **DIRECTORS' REPORT *(continued)***

**YEAR ENDED 31 MARCH 2013**

### **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 year.

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.

### **AUDITOR**

Gravestock & Owen Limited resigned as auditors during the year and TJ Saxon was appointed as auditor in their place. There were no circumstances relating to the resignation that need to be brought to the attention of the shareholders.

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

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each director has 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.

# **HALLMARK CARE HOMES (PENTWYN) LIMITED**

## **DIRECTORS' REPORT *(continued)***

**YEAR ENDED 31 MARCH 2013**

Registered office  
2 Kingfisher House  
Woodbridge Crescent  
Radford Way  
Billerica  
Essex  
CM12 0EQ

Signed on behalf of the directors

A handwritten signature in black ink, consisting of several overlapping, sweeping strokes that form the letters 'RK' followed by a surname.

RK Goyal  
Director and Secretary

Approved by the directors on 11 December 2013

**HALLMARK CARE HOMES (PENTWYN) LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF**  
**HALLMARK CARE HOMES (PENTWYN) LIMITED**  
**YEAR ENDED 31 MARCH 2013**

I have audited the financial statements of Hallmark Care Homes (Pentwyn) Limited for the year ended 31 March 2013. 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 shareholder, 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 shareholder 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 shareholder 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 set out on page 2, 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 annual report to identify material inconsistencies with the audited financial statements. 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 2013 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 (PENTWYN) LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF**  
**HALLMARK CARE HOMES (PENTWYN) LIMITED** *(continued)*

**YEAR ENDED 31 MARCH 2013**

**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



TIMOTHY SAXON (Senior Statutory Auditor)  
For and on behalf of TJ SAXON  
Chartered Accountant & Statutory Auditor

43 Hagley Road  
Stourbridge  
West Midlands  
DY8 1QR

11 December 2013

# HALLMARK CARE HOMES (PENTWYN) LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2013

	Note	2013 £	2012 £
<b>TURNOVER</b>	<b>1</b>	<b>4,098,873</b>	<b>3,876,944</b>
Cost of sales		<u>214,483</u>	<u>173,358</u>
<b>GROSS PROFIT</b>		<b>3,884,390</b>	<b>3,703,586</b>
Administrative expenses		<u>2,803,464</u>	<u>2,324,119</u>
<b>OPERATING PROFIT</b>	<b>2</b>	<b>1,080,926</b>	<b>1,379,467</b>
Interest payable and similar charges	<b>4</b>	<b>110,756</b>	<b>110,227</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>970,170</b>	<b>1,269,240</b>
Tax on profit on ordinary activities	<b>5</b>	<b>242,574</b>	<b>349,611</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>727,596</u></b>	<b><u>919,629</u></b>

All of the activities of the company are classed as continuing

### Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £727,596 attributable to the shareholder for the year ended 31 March 2013 (2012 - profit of £919,629)

The accounting policies and notes on pages 8 to 15 form part of these financial statements.



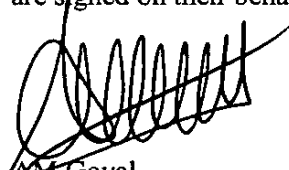
# HALLMARK CARE HOMES (PENTWYN) LIMITED

## BALANCE SHEET

31 MARCH 2013

	Note	2013 £	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	6	4,532,551	4,707,796
<b>CURRENT ASSETS</b>			
Debtors	7	2,015,500	1,465,196
Cash at bank and in hand		195,320	144,778
		<u>2,210,820</u>	<u>1,609,974</u>
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>852,996</u>	<u>977,358</u>
<b>NET CURRENT ASSETS</b>		<u>1,357,824</u>	<u>632,616</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,890,375</u>	<u>5,340,412</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	10	3,750,375	3,853,125
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	8	—	74,883
		<u>2,140,000</u>	<u>1,412,404</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	12	1	1
Profit and loss account	13	2,139,999	1,412,403
<b>SHAREHOLDER'S FUNDS</b>	14	<u>2,140,000</u>	<u>1,412,404</u>

These accounts were approved by the shareholder and authorised for issue on 11 December 2013, and are signed on their behalf by



A.M. Goyal  
Director

Company Registration Number 5182431

The accounting policies and notes on pages 8 to 15 form part of these financial statements

# **HALLMARK CARE HOMES (PENTWYN) LIMITED**

## **ACCOUNTING POLICIES**

**YEAR ENDED 31 MARCH 2013**

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention

### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

### **Related parties transactions**

The company is a wholly owned subsidiary of Hallmark Care Homes (Cardiff) Limited. The company's ultimate parent undertaking is Hallmark Care Homes Group Holdings Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or shareholders of the Hallmark Care Homes Group Holdings Limited group of companies

### **Turnover**

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

### **Fixed assets**

All fixed assets are initially recorded at cost

### **Depreciation**

Depreciation 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

Freehold Property	- 2% per annum straight line
Plant & Machinery	- 12.5% per annum straight line
Fixtures & Fittings	- 20% per annum straight line
Equipment	- 20% per annum straight line

The useful economic life of plant and machinery, fixtures and fittings and equipment has been reviewed and revised. The directors consider that the economic life of these categories is different to that previously determined. As a consequence, although the various rates of depreciation have not changed, with effect from 1 April 2012, they are now applied on a straight line basis, rather than a reducing balance basis. The effect of this revised depreciation method has been to increase the depreciation charge in the current year by £137,929

# **HALLMARK CARE HOMES (PENTWYN) LIMITED**

## **ACCOUNTING POLICIES** *(continued)*

**YEAR ENDED 31 MARCH 2013**

### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

### **Financial instruments**

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 entity after deducting all of its financial liabilities

# HALLMARK CARE HOMES (PENTWYN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

### 1. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company  
An analysis of turnover is given below

	2013 £	2012 £
United Kingdom	<u>4,098,873</u>	<u>3,876,944</u>

### 2. OPERATING PROFIT

Operating profit is stated after charging

	2013 £	2012 £
Directors' remuneration	—	—
Depreciation of owned fixed assets	323,041	192,091
Auditor's remuneration - as auditor	<u>720</u>	<u>2,201</u>

### 3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2013 No	2012 No
Care staff	<u>124</u>	<u>122</u>

The aggregate payroll costs of the above were

	2013 £	2012 £
Wages and salaries	1,588,177	1,513,262
Social security costs	<u>105,488</u>	<u>105,169</u>
	<u>1,693,665</u>	<u>1,618,431</u>

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
Interest payable on bank borrowing	<u>110,756</u>	<u>110,227</u>

# HALLMARK CARE HOMES (PENTWYN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**YEAR ENDED 31 MARCH 2013**

### 5. TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the year

	2013 £	2012 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 24% (2012 - 26%)	323,642	348,195
Over/under provision in prior year	7,858	230
Total current tax	<u>331,500</u>	<u>348,425</u>
Deferred tax		
Origination and reversal of timing differences (note 8)		
Capital allowances	(88,926)	1,186
Tax on profit on ordinary activities	<u>242,574</u>	<u>349,611</u>

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24% (2012 - 26%)

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>970,170</u>	<u>1,269,240</u>
Profit on ordinary activities by rate of tax	232,841	330,002
Expenses not deductible for tax purposes	13,667	15,868
Capital allowances for period in excess of depreciation	77,134	2,325
Adjustments to tax charge in respect of previous periods	7,858	230
Total current tax (note 5(a))	<u>331,500</u>	<u>348,425</u>

# HALLMARK CARE HOMES (PENTWYN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**YEAR ENDED 31 MARCH 2013**

### 6. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Equipment £	Total £
<b>COST</b>					
At 1 April 2012	4,148,431	1,407,992	373,661	29,148	5,959,232
Additions	—	—	145,472	2,324	147,796
<b>At 31 March 2013</b>	<u>4,148,431</u>	<u>1,407,992</u>	<u>519,133</u>	<u>31,472</u>	<u>6,107,028</u>
<b>DEPRECIATION</b>					
At 1 April 2012	285,736	715,296	235,839	14,565	1,251,436
Charge for the year	56,953	175,999	84,656	5,433	323,041
<b>At 31 March 2013</b>	<u>342,689</u>	<u>891,295</u>	<u>320,495</u>	<u>19,998</u>	<u>1,574,477</u>
<b>NET BOOK VALUE</b>					
<b>At 31 March 2013</b>	<u>3,805,742</u>	<u>516,697</u>	<u>198,638</u>	<u>11,474</u>	<u>4,532,551</u>
At 31 March 2012	<u>3,862,695</u>	<u>692,696</u>	<u>137,822</u>	<u>14,583</u>	<u>4,707,796</u>

### 7. DEBTORS

	2013 £	2012 £
Trade debtors	96,972	138,706
Amounts owed by group undertakings	1,883,527	1,322,646
Prepayments and accrued income	20,958	3,844
Deferred taxation (note 8)	14,043	—
	<u>2,015,500</u>	<u>1,465,196</u>

# HALLMARK CARE HOMES (PENTWYN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

### 8. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows

	2013 £	2012 £
Included in debtors (note 7)	14,043	-
Included in provisions	-	(74,883)
	<u>14,043</u>	<u>(74,883)</u>

The movement in the deferred taxation account during the year was:

	2013 £	2012 £
Balance brought forward	(74,883)	(73,697)
Profit and loss account movement arising during the year	88,926	(1,186)
Balance carried forward	<u>14,043</u>	<u>(74,883)</u>

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

	2013 £	2012 £
Excess of depreciation over taxation allowances	14,043	(74,883)
	<u>14,043</u>	<u>(74,883)</u>

### 9. CREDITORS: Amounts falling due within one year

	2013 £	2012 £
Bank loan	205,500	211,463
Trade creditors	81,982	66,926
Corporation tax	300,737	437,438
PAYE and social security	28,604	28,753
Other creditors	20,717	14,298
Accruals and deferred income	215,456	218,480
	<u>852,996</u>	<u>977,358</u>

# HALLMARK CARE HOMES (PENTWYN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 MARCH 2013

#### 9. CREDITORS: Amounts falling due within one year *(continued)*

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2013 £	2012 £
Bank loan	<u>205,500</u>	<u>211,463</u>

The bank borrowings are secured by a fixed and floating charge over the company's assets

#### 10. CREDITORS: Amounts falling due after more than one year

	2013 £	2012 £
Bank loan	<u>3,750,375</u>	<u>3,853,125</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2013 £	2012 £
Bank loan	<u>3,750,375</u>	<u>3,853,125</u>

The bank borrowings are secured by a fixed and floating charge over the company's assets

#### 11. CREDITORS - CAPITAL INSTRUMENTS

Creditors include finance capital which is due for repayment as follows

	2013 £	2012 £
Amounts repayable		
In one year or less or on demand	205,500	205,500
In more than one year but not more than two years	3,750,375	205,500
In more than two years but not more than five years	—	3,647,625
	<u>3,955,875</u>	<u>4,058,625</u>

#### 12. SHARE CAPITAL

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>



# **HALLMARK CARE HOMES (PENTWYN) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2013**

### **13. PROFIT AND LOSS ACCOUNT**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Balance brought forward	<b>1,412,403</b>	<b>492,774</b>
Profit for the financial year	<b>727,596</b>	<b>919,629</b>
Balance carried forward	<b><u>2,139,999</u></b>	<b><u>1,412,403</u></b>

### **14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	<b>727,596</b>	<b>919,629</b>
Opening shareholder's funds	<b>1,412,404</b>	<b>492,775</b>
Closing shareholder's funds	<b><u>2,140,000</u></b>	<b><u>1,412,404</u></b>

### **15. ULTIMATE PARENT COMPANY**

The company's immediate parent undertaking is Hallmark Care Homes (Cardiff) 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.