

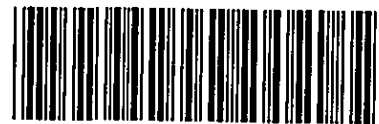
Company Registration number 02748547

LINDEN CARE HOMES LIMITED

Abbreviated Accounts

For the year ended 31 March 2012

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LINDEN CARE HOMES LIMITED

Financial statements for the year ended 31 March 2012

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LINDEN CARE HOMES LIMITED

Director's report for the year ended 31 March 2012

The director presents his report and the financial statements of the company for the year ended 31 March 2012

Review of the business

The principal activity of the company is the ownership and management of nursing homes

Turnover has increased during the year by 1% to £2,803,263. The director considers the profit on ordinary activities before taxation to be satisfactory. Staffing levels have increased with the company now employing an average of 164 staff compared to 155 in 2011. The residential home at Hartshill was demolished during the year ended 31 March 2012. Planning permission and finance are now in place for the redevelopment of the site, with the building of a new 34 bed residential home due to commence during the year ended 31 March 2013.

Results and dividends

The results for the year are shown on the profit and loss account on page 4. The profit for the year after taxation was £14,395.

No dividends were paid during the year.

Directors

The director who served during the year was

Mr David Charles

Director's responsibilities statement

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for the safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Fixed assets

In the opinion of the director, the value of the company's freehold land and buildings is not materially in excess of that shown in the financial statements when considered in relation to its use in the company's trade.

Disclosure of information to auditors

To the knowledge and belief of the director, there is no relevant information that the company's auditors are not aware of, and the director has taken all the steps necessary to ensure the director is aware of any relevant information, and to establish that the company's auditors are aware of the information.

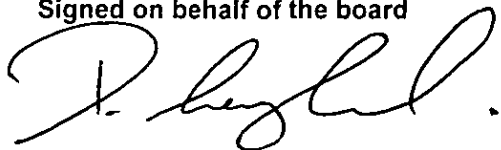
LINDEN CARE HOMES LIMITED

Director's report for the year ended 31 March 2012 (continued)

Disclosure of information to auditors

To the knowledge and belief of the director, there is no relevant information that the company's auditors are not aware of, and the director has taken all the steps necessary to ensure the director is aware of any relevant information, and to establish that the company's auditors are aware of the information

Signed on behalf of the board

A handwritten signature in black ink, appearing to read 'D. Leyland', with a large, stylized initial 'D'.

MRS D F LEYLAND
Secretary

Approved by the Board on 2 November 2012

LINDEN CARE HOMES LIMITED

Independent auditors' report to Linden Care Homes Limited under section 449 of the Companies Act 2006

We have examined the abbreviated accounts on pages 4 to 15, together with the financial statements of Linden Care Homes Limited for the year ended 31 March 2012 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with sections 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Jane Biggs

**Mrs J Biggs (Senior Statutory Auditor)
for and on behalf of Bishop Simmons Limited, Statutory Auditor
Registered Auditors and
Chartered Accountants**

Mitre House School Road
Bulkington
Bedworth
Warwickshire
CV12 9JB

26 October 2012

LINDEN CARE HOMES LIMITED

Abbreviated profit and loss account for the year ended 31 March 2012

	<u>Notes</u>	<u>2012</u> £	<u>2011</u> £
Turnover		2,803,263	2,779,361
Cost of sales		<u>1,709,758</u>	<u>1,664,910</u>
Gross profit		<u>1,093,505</u>	<u>1,114,451</u>
Administrative expenses		894,158	950,079
Other operating income	2	<u>11,653</u>	<u>11,239</u>
Operating profit		211,000	175,611
Other interest receivable and similar income		93	111
Interest payable and similar charges	5	<u>(166,773)</u>	<u>(147,916)</u>
Profit on ordinary activities before taxation	3	44,320	27,806
Taxation on profit on ordinary activities	6	<u>(29,925)</u>	<u>(21,766)</u>
Profit for the financial year		<u>14,395</u>	<u>6,040</u>

None of the company's activities was acquired or discontinued during the above two years

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

LINDEN CARE HOMES LIMITED

Statement of total recognised gains and losses For the year ended 31 March 2012

	<u>2012</u> £	<u>2011</u> £
Profit for the financial year	14,395	6,040
Unrealised surplus on revaluation of properties	<u>1,968,546</u>	<u>-</u>
Total recognised gains and losses recognised since the last annual report	<u><u>1,982,941</u></u>	<u><u>6,040</u></u>

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

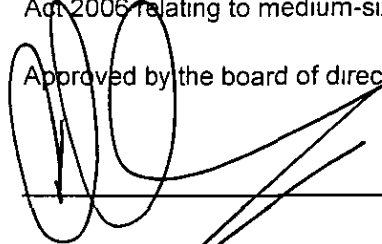
LINDEN CARE HOMES LIMITED

Abbreviated balance sheet as at 31 March 2012

	<u>Notes</u>	<u>2012</u> £	<u>2011</u> £
Fixed assets			
Intangible assets	7	642,188	698,438
Tangible assets	8	6,692,315	4,674,472
		<u>7,334,503</u>	<u>5,372,910</u>
Current assets			
Stock	9	16,000	14,943
Debtors	10	106,584	208,379
Cash at bank and in hand		129,639	112,754
		<u>252,223</u>	<u>336,076</u>
Creditors, amounts falling due within one year	11	<u>(658,632)</u>	<u>(1,053,534)</u>
Net current liabilities		<u>(406,409)</u>	<u>(717,458)</u>
Total assets less current liabilities		<u>6,928,094</u>	<u>4,655,452</u>
Creditors' amounts falling due after more than one year	12	<u>(4,020,886)</u>	<u>(3,737,149)</u>
Provision for liabilities	14	<u>(5,963)</u>	<u>-</u>
		<u>2,901,245</u>	<u>918,303</u>
Capital and reserves			
Called up share capital	15	11	11
Revaluation reserve	16	1,968,546	-
Profit and loss account	16	932,688	918,292
		<u>2,901,245</u>	<u>918,303</u>
Shareholders' funds	17	<u>2,901,245</u>	<u>918,303</u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies

Approved by the board of directors on 2 November 2012 and signed on its behalf



Mr David Charles - Director

Company Registration No: 02748547

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

LINDEN CARE HOMES LIMITED

Cash flow statement for the year ended 31 March 2012

	<u>Notes</u>	<u>2012</u> £	<u>2011</u> £
Operating activities			
Net cash flow from operating activities	18a	458,624	205,682
Returns on investments and servicing of finance			
Interest and similar income received		93	111
Interest and similar charges paid		<u>(166,772)</u>	<u>(147,916)</u>
Net cash flow from returns on investments and servicing of finance		(166,679)	(147,805)
Taxation			
Corporation tax paid		(21,766)	(32,540)
Capital expenditure			
Payments to acquire tangible fixed assets		(137,546)	(43,789)
Receipts from sale of tangible fixed assets		<u>900</u>	<u>-</u>
Net cash flow from investing activities		<u>(136,646)</u>	<u>(43,789)</u>
		133,533	(18,452)
Financing			
Repayment of short term bank loan		(342,900)	(37,385)
Increase in long term bank loan		276,292	-
Increase in finance lease and HP contracts		<u>14,032</u>	<u>7,068</u>
Net cash flow from financing		<u>(52,576)</u>	<u>(30,317)</u>
Increase/(decrease) in cash	18c	<u>80,957</u>	<u>(48,769)</u>

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

LINDEN CARE HOMES LIMITED

Notes to the abbreviated accounts for the year ended 31 March 2012

1 Accounting policies

a) *Basis of accounting*

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with applicable accounting standards

b) *Turnover*

Turnover represents net invoiced sales of goods and services, excluding value added tax

c) *Depreciation of tangible fixed assets*

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are

Freehold buildings	2%	on cost (excluding land)
Motor vehicles	25%	on a reducing balance basis
Equipment, fixtures and fittings	20%	on a reducing balance basis

d) *Goodwill*

Goodwill of £1,125,000, being the amount paid in connection with the acquisition of a business in 2003, is being amortised using a straight line method over 20 years, in line with FRS 10 Accounting for intangible assets and goodwill

e) *Stocks*

Stock is valued at the lower of cost and estimated net realisable value

f) *Deferred taxation*

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

g) *Hire purchase and lease transactions*

Assets acquired under hire purchase agreements and finance leases are capitalised in the balance sheet and are depreciated in accordance with the company's normal policy. The outstanding liabilities under such agreements less interest not yet due are included in creditors. Interest on such agreements is charged to the profit and loss account over the term of each agreement and represents a constant proportion of the balance of capital repayments outstanding

Rentals under operating leases are charged to the profit and loss account as they fall due

LINDEN CARE HOMES LIMITED

Notes to the abbreviated accounts for the year ended 31 March 2012 (continued)

3 Profit on ordinary activities before taxation

This is stated after charging

	<u>2012</u> £	<u>2011</u> £
Amortisation of goodwill	56,250	56,250
Depreciation of owned assets	86,566	84,716
Depreciation of assets under finance leases and HP	1,686	2,108
Profit on disposal of fixed assets	(900)	-
Auditors' remuneration - Audit fee	<u>7,200</u>	<u>6,960</u>

4 Employee information

	<u>2012</u> £	<u>2011</u> £
<i>Staff costs</i>		
Wages and salaries	<u>1,651,762</u>	<u>1,597,612</u>

The average number of persons employed during the year, including executive directors, was made up as follows

	<u>2012</u> Number	<u>2011</u> Number
Office and management	14	14
Care, cleaning and maintenance	<u>150</u>	<u>141</u>
	<u>164</u>	<u>155</u>

5 Interest payable and similar charges

	<u>2012</u> £	<u>2011</u> £
On bank loans and overdrafts	149,725	146,657
PAYE settlement (Prior years)	16,593	-
On obligations under finance lease and hire purchase	<u>455</u>	<u>1,259</u>
	<u>166,773</u>	<u>147,916</u>

LINDEN CARE HOMES LIMITED

Notes to the abbreviated accounts for the year ended 31 March 2012 (continued)

6 Tax on profit on ordinary activities

	<u>2012</u> £	<u>2011</u> £
United Kingdom corporation tax at 20%	23,962	21,766
Deferred taxation (note 14)	5,963	-
	<u>29,925</u>	<u>21,766</u>

Factors affecting tax charge for the period

Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20%	8,864	5,839
Effects of		
Expenses not deductible for tax purposes	11,348	12,189
Reduction in tax post Capital Allowances investigation	(3,743)	(4,736)
Depreciation on non-qualifying assets multiplied by relevant tax rate	14,657	15,308
Movement on deferred tax asset provision	(1,201)	(6,834)
Current tax charge for the year	<u>29,925</u>	<u>21,766</u>

7 Intangible fixed assets

	<u>Goodwill</u> £
Cost	
At 1 April 2011	1,125,000
At 31 March 2012	<u>1,125,000</u>
Amortisation	
At 1 April 2011	426,562
Provision for the year	56,250
At 31 March 2012	<u>(482,812)</u>
Net book value	
At 31 March 2012	<u>642,188</u>
At 31 March 2011	<u>698,438</u>

LINDEN CARE HOMES LIMITED

Notes to the abbreviated accounts for the year ended 31 March 2012 (continued)

8 Tangible fixed assets

	<i>Land and buildings</i> £	<i>Motor vehicles</i> £	<i>Equipment fixtures and fittings</i> £	<i>Total</i> £
Cost				
At 1 April 2011	4,929,568	24,165	123,928	5,077,661
Additions	99,535	24,160	13,851	137,546
Revaluation	1,968,546	-	-	1,968,546
At 31 March 2012	6,997,649	48,325	137,779	7,183,753
Depreciation				
At 1 April 2011	309,364	19,815	74,007	403,186
Provision for the year	73,285	2,212	12,755	88,252
At 31 March 2012	382,649	22,027	86,762	491,438
Net book value.				
At 31 March 2012	6,615,000	26,298	51,017	6,692,315
At 31 March 2011	4,620,204	4,350	49,921	4,674,475

Included within fixed assets are assets held under finance leases or hire purchase contracts with a net book value of £26,406 (2011 £8,432)

The depreciation charge for the year includes £1,686 (2011 £2,108) in respect of assets leased under finance leases or under hire purchase contracts

The net book value of land and buildings at 31 March 2012 is made up as follows

	<u>2012</u> £	<u>2011</u> £
Freehold land and buildings	6,615,000	4,620,202

9 Stocks

	<u>2012</u> £	<u>2011</u> £
Raw materials	16,000	14,943

10 Debtors

	<u>2012</u> £	<u>2011</u> £
Trade debtors	62,765	174,711
Other debtors	2,098	4,116
Prepaid expenses and accrued income	41,721	29,552
	106,584	208,379

LINDEN CARE HOMES LIMITED

Notes to the abbreviated accounts for the year ended 31 March 2012 (continued)

11 Creditors: amounts falling due within one year

	<u>2012</u> £	<u>2011</u> £
Bank loans and overdrafts	241,163	648,135
Trade creditors	98,209	85,284
Other creditors	237,810	238,996
Corporation tax	35,366	33,170
Other tax and social security	25,763	31,455
Obligations under finance leases and hire purchase contracts	10,121	3,534
Accruals and deferred income	10,200	12,960
	<u>658,632</u>	<u>1,053,534</u>

12 Creditors: amounts falling due after more than one year

	<u>2012</u> £	<u>2011</u> £
Bank loans	4,009,907	3,733,615
Net obligations under finance leases and hire purchase contracts	10,979	3,534
	<u>4,020,886</u>	<u>3,737,149</u>
<i>Analysis of loan repayments</i>		
Bank loans and overdrafts		
Within one year or on demand	241,163	648,135
Between two and five years	689,903	456,000
After five years	3,320,004	3,277,615
Other loans		
Within one year or on demand	10,121	3,534
Between one and two years	10,979	3,534
	<u>4,272,170</u>	<u>4,388,818</u>
Less amounts included in current liabilities (note 11)	251,284	651,669
	<u>4,020,886</u>	<u>3,737,149</u>

13 Commitments under hire purchase agreements

	<u>2012</u> £	<u>2011</u> £
Amounts payable within 1 year (note 11)	10,121	3,534
Amounts payable between 2 to 5 years (note 12)	10,979	3,534
	<u>21,100</u>	<u>7,068</u>

14 Provisions for liabilities

	<u>2012</u> £	<u>2011</u> £
Accelerated capital allowances	5,963	-
Provision at start of year	-	-
Deferred tax charge in profit and loss account for year (note 6)	5,963	-
Provision at end of year	<u>5,963</u>	<u>-</u>

LINDEN CARE HOMES LIMITED

Notes to the abbreviated accounts for the year ended 31 March 2012 (continued)

15 Called-up share capital

	<u>2012</u> £	<u>2011</u> £
<i>Allotted, called up and fully paid</i>		
<i>Equity shares*</i>		
Ordinary shares of £1 each	<u>11</u>	<u>11</u>

16 Reserves

	<i>Revaluation reserve</i> £	<i>Profit and loss account</i> £
At 1 April 2011	-	918,293
Profit for the year	-	14,395
Arising on revaluations in year	<u>1,968,546</u>	<u>-</u>
	<u>1,968,546</u>	<u>932,688</u>

17 Reconciliation of movement in shareholders' funds

	<u>2012</u> £	<u>2011</u> £
Profit for the year	14,395	6,040
Other recognised gains and losses	<u>1,968,546</u>	<u>-</u>
Net addition to shareholders' funds	1,982,941	6,040
Shareholders' funds at 1 April 2011	<u>918,304</u>	<u>912,263</u>
Shareholders' funds at 31 March 2012	<u>2,901,245</u>	<u>918,303</u>

18 Notes to the cash flow statement

a) Reconciliation of operating profit to net cash flow operating activities

	<u>2012</u> £	<u>2011</u> £
Operating profit	211,000	175,611
Depreciation charges	144,502	143,074
Profit on sale of fixed assets	(900)	-
Increase in stock	(1,057)	-
Decrease/2011 increase in debtors	101,795	(8,927)
Increase/2011 decrease in creditors	<u>3,284</u>	<u>(104,076)</u>
Net cash inflow from operating activities	<u>458,624</u>	<u>205,682</u>

LINDEN CARE HOMES LIMITED

Notes to the abbreviated accounts for the year ended 31 March 2012 (continued)

18 Notes to the cash flow statement (continued)

b) Analysis of change in net debt

	<u>Brought forward</u>	<u>Cash flows</u>	<u>Other changes</u>	<u>Carried forward</u>
Cash at bank and in hand	112,754	16,885	-	129,639
Bank overdraft	(144,135)	64,072	-	(80,063)
	(31,381)	80,957	-	49,576
Debt due within one year	(507,534)	339,366	(3,053)	(171,221)
Debt due after more than one year	(3,737,149)	3,534	(287,271)	(4,020,886)
	<u>(4,276,064)</u>	<u>423,857</u>	<u>(290,324)</u>	<u>(4,142,531)</u>

c) Reconciliation of net cash flow to movement in debt

	<u>2012 £</u>	<u>2011 £</u>
Net increase/2011 decrease in cash	80,957	(48,769)
Reduction in long term bank loan	66,608	37,385
Increase in finance lease and HP contracts	(14,032)	(7,067)
Changes in net funds/2011 debt	133,533	(18,451)
Net debt at 1 April 2011	<u>(4,276,064)</u>	<u>(4,257,613)</u>
Net debt at 31 March 2012	<u>(4,142,531)</u>	<u>(4,276,064)</u>

19 Leasing commitments

Operating leases

The company's annual commitments for rental payments under non-cancellable operating leases at 31 March 2012 were as set out below

	<u>2012 Other £</u>	<u>2011 Other £</u>
Operating leases which expire		
Within one year	12,471	-
Within two to five years	1,803	22,173
	<u>14,274</u>	<u>22,173</u>

LINDEN CARE HOMES LIMITED

Notes to the abbreviated accounts for the year ended 31 March 2012 (continued)

20 Property revaluation

The companies freehold property has been revalued as at 31 March 2012 as follows

Linden Lodge Nursing Home, Warton, Tamworth, B79 0JR has been valued at £3,850,000 This is based on a valuation conducted by Christie & Co Surveyors, Edgbaston House, Birmingham, B16 8NH The valuation was prepared in March 2010

Linden Lodge Care Home, Dordon, Tamworth, B78 1TR has been valued at £1,650,000 This is based on a valuation conducted by Christie & Co Surveyors, Edgbaston House, Birmingham, B16 8NH The valuation was prepared in March 2010

The residential property 26 The Gullet, Polesworth, Tamworth has been valued by an independent estate agent at £215,000 in line with current market conditions

Commercial premises Ratcliffe Buildings, Tuttle Hill, Nuneaton, CV10 0HU have been valued at £500,000 by the companies director The valuation is based on current market conditions

Land at Grange Road, Hartshill, Nuneaton has been valued at £400,000 by the companies director The valuation is based on current market conditions

No additional depreciation on revalued properties has been included in the draft financial statements Total book value of the above properties totals £6,615,000 (see note 9)

21 Investment property

Included in Land and Buildings (note 9) is the investment property Ratcliffe Buildings, Nuneaton The cost of Ratcliffe Buildings was £411,538 (£380,279 Purchase Price and £31,259 Legals/Loan arrangement fees) In the opinion of the director the market value of Ratcliffe Buildings as at 31 March 2012 was £500,000 (see note 20)

22 Bank loans

During October 2011 the existing Royal Bank of Scotland bank loans were consolidated with a loan facility advance of £4,191,000 The loan is repayable over 8 years Interest is to be charged at 1.75% over LIBOR The loan facility is secured with fixed legal charges over Linden Lodge Nursing Home, Warton, Linden Lodge Residential Home, Dordon, 26 The Gullet, Polesworth and land at Hartshill, Nuneaton (see note 21)

23 Control

The company is under the control of the director D Charles