

Company Registration number 02748547

LINDEN CARE HOMES LIMITED

Abbreviated Accounts

For the year ended 31 March 2011

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LINDEN CARE HOMES LIMITED

Financial statements for the year ended 31 March 2011

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LINDEN CARE HOMES LIMITED

Director's report for the year ended 31 March 2011

The director presents his report and the financial statements of the company for the year ended 31 March 2011

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 12% to £2,779,361. The director considers the profit on ordinary activities before taxation to be satisfactory. Activities at the Warton nursing home were at full capacity following the completion of the extension in late 2009. Average occupancy levels at the nursing home and residential home at Dordon were around 96% for the year. Activities at the residential home at Hartshill, Nuneaton remain closed as planning permission is still pending in respect of the project to demolish and re-build the premises. Staffing levels have increased with the company now employing an average of 155 staff compared to 146 in 2010.

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 £6,040.

No dividends were paid during the year.

Directors

The director who served during the year was

Mr David Charles

Statement of director's responsibilities

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.

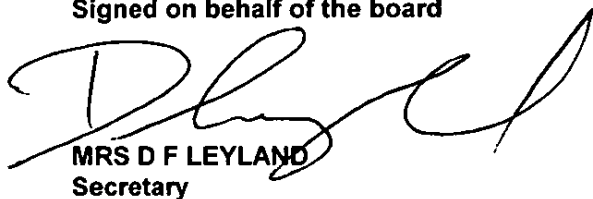
Disclosure of information to auditors

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 2011 (continued)

Signed on behalf of the board



MRS D F LEYLAND
Secretary

Approved by the Board on 27 May 2011

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 13, together with the financial statements of Linden Care Homes Limited for the year ended 31 March 2011 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.

Basis of opinion

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.

**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

27 May 2011

LINDEN CARE HOMES LIMITED

Abbreviated profit and loss account for the year ended 31 March 2011

	<i>Notes</i>	<u>2011</u> £	<u>2010</u> £
Turnover		2,779,361	2,474,984
Cost of sales		1,664,910	1,449,090
Gross profit		1,114,451	1,025,894
Administrative expenses		950,079	785,250
Other operating income	2	11,239	12,384
Operating profit	3	175,611	253,028
Other interest receivable and similar income		111	33
Interest payable and similar charges	5	(147,916)	(109,012)
Profit on ordinary activities before taxation		27,806	144,049
Taxation on profit on ordinary activities	6	(21,766)	(32,540)
Profit for the financial year		<u>6,040</u>	<u>111,509</u>

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

There were no recognised gains nor losses other than those included in the profit and loss account

The notes on pages 7 to 13 form part of these financial statements

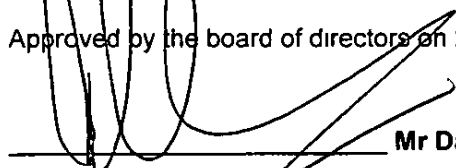
LINDEN CARE HOMES LIMITED

Abbreviated balance sheet as at 31 March 2011

	<u>Notes</u>	<u>2011</u> £	<u>2010</u> £
Fixed assets			
Intangible assets	7	698,438	754,688
Tangible assets	8	<u>4,674,472</u>	<u>4,717,507</u>
		5,372,910	5,472,195
Current assets			
Stock	9	14,943	14,943
Debtors	10	208,379	199,452
Cash at bank and in hand		<u>112,754</u>	<u>216,290</u>
		336,076	430,685
Creditors: amounts falling due within one year	11	(1,053,534)	(1,105,617)
Net current liabilities		(717,458)	(674,932)
Total assets less current liabilities		4,655,452	4,797,263
Creditors: amounts falling due after more than one year	12	(3,737,149)	(3,885,000)
		<u>918,303</u>	<u>912,263</u>
Capital and reserves			
Called up share capital	14	11	11
Profit and loss account	15	<u>918,292</u>	<u>912,252</u>
Shareholders' funds	16	<u>918,303</u>	<u>912,263</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 27 May 2011 and signed on its behalf



Mr David Charles - Director

Company Registration No: 02748547

The notes on pages 7 to 13 form part of these financial statements

LINDEN CARE HOMES LIMITED

Cash flow statement for the year ended 31 March 2011

	<i>Notes</i>	<u>2011</u> £	<u>2010</u> £
Operating activities			
Net cash flow from operating activities	17a	205,682	358,260
Returns on investments and servicing of finance			
Interest and similar income received		111	33
Interest and similar charges paid		(147,916)	(109,013)
Net cash flow from returns on investments and servicing of finance		(147,805)	(108,980)
Taxation			
Corporation tax paid		(32,540)	(19,841)
Capital expenditure			
Payments to acquire tangible fixed assets		(43,789)	(1,359,206)
Net cash flow from investing activities		(43,789)	(1,359,206)
		(18,452)	(1,129,767)
Financing			
Repayment of/2010 increase in short term bank loan		(37,385)	236,409
Repayment of/2010 increase in long term bank loan		-	985,043
Increase in finance lease and HP contracts		7,068	-
Net cash flow from financing		(30,317)	1,221,452
(Decrease)/increase in cash	17c	(48,769)	91,685

The notes on pages 7 to 13 form part of these financial statements

LINDEN CARE HOMES LIMITED

Notes to the abbreviated accounts for the year ended 31 March 2011

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) *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

2 Other operating income

	<u>2011</u> £	<u>2010</u> £
Other operating income	3,489	1,355
Other operating income - rent receivable	<u>7,750</u>	<u>11,029</u>
	<u>11,239</u>	<u>12,384</u>

3 Profit on ordinary activities before taxation

This is stated after charging

	<u>2011</u> £	<u>2010</u> £
Amortisation of goodwill	56,250	56,250
Depreciation of owned assets	86,824	82,475
Auditors' remuneration - Audit fee	<u>6,960</u>	<u>6,463</u>

LINDEN CARE HOMES LIMITED

Notes to the abbreviated accounts for the year ended 31 March 2011 (continued)

4 Employee information

	<u>2011</u> £	<u>2010</u> £
Staff costs:		
Wages and salaries	<u>1,597,612</u>	<u>1,429,684</u>

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

	<u>2011</u> Number	<u>2010</u> Number
Office and management	14	14
Care, cleaning and maintenance	141	132
	<u>155</u>	<u>146</u>

5 Interest payable and similar charges

	<u>2011</u> £	<u>2010</u> £
On bank loans and overdrafts	146,657	109,012
On obligations under finance lease and hire purchase	1,259	-
	<u>147,916</u>	<u>109,012</u>

6 Tax on profit on ordinary activities

	<u>2011</u> £	<u>2010</u> £
United Kingdom corporation tax at 21%	<u>21,766</u>	<u>32,540</u>
Factors affecting tax charge for the period		
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21%	5,839	30,251
Effects of		
Expenses not deductible for tax purposes	12,189	12,195
Reduction in tax post Capital Allowances investigation	(4,736)	(23,126)
Depreciation on non-qualifying assets multiplied by relevant tax rate	15,308	15,286
Movement on deferred tax asset	(6,834)	(2,066)
Current tax charge for the year	<u>21,766</u>	<u>32,540</u>

LINDEN CARE HOMES LIMITED

Notes to the abbreviated accounts for the year ended 31 March 2011 (continued)

7 Intangible fixed assets

	<u>Goodwill</u> £
Cost.	
At 1 April 2010	1,125,000
Amortisation:	
At 1 April 2010	370,312
Provision for the year	56,250
At 31 March 2011	426,562
Net book value:	
At 31 March 2011	698,438
At 31 March 2010	754,688

8 Tangible fixed assets

	<u>Land and buildings</u> £	<u>Motor vehicles</u> £	<u>Equipment fixtures and fittings</u> £	<u>Total</u> £
Cost.				
At 1 April 2010	4,917,180	24,165	92,527	5,033,872
Additions	12,388	-	31,401	43,789
At 31 March 2011	4,929,568	24,165	123,928	5,077,661
Depreciation:				
At 1 April 2010	236,471	18,365	61,529	316,365
Provision for the year	72,895	1,450	12,479	86,824
At 31 March 2011	309,366	19,815	74,008	403,189
Net book value:				
At 31 March 2011	4,620,202	4,350	49,920	4,674,472
At 31 March 2010	4,680,709	5,800	30,998	4,717,507

The net book value of land and buildings at 31 March 2011 is made up as follows

	<u>2011</u> £	<u>2010</u> £
Freehold land and buildings	4,620,202	4,680,709

9 Stocks

	<u>2011</u> £	<u>2010</u> £
Raw materials	14,943	14,943

LINDEN CARE HOMES LIMITED

Notes to the abbreviated accounts for the year ended 31 March 2011 (continued)

10 Debtors

	<u>2011</u> £	<u>2010</u> £
Trade debtors	174,711	161,652
Other debtors	4,116	8,571
Prepaid expenses and accrued income	29,552	29,229
	<u>208,379</u>	<u>199,452</u>

11 Creditors: amounts falling due within one year

	<u>2011</u> £	<u>2010</u> £
Bank loans and overdrafts	648,135	588,902
Trade creditors	85,284	170,504
Other creditors	238,996	259,705
Corporation tax	33,170	43,944
Other tax and social security	31,455	28,077
Obligations under finance leases and hire purchase contracts	3,534	-
Accruals and deferred income	12,960	14,485
	<u>1,053,534</u>	<u>1,105,617</u>

12 Creditors: amounts falling due after more than one year

	<u>2011</u> £	<u>2010</u> £
Bank loans	3,733,615	3,885,000
Net obligations under finance leases and hire purchase contracts	3,534	-
	<u>3,737,149</u>	<u>3,885,000</u>

Analysis of loan repayments

Bank loans and overdrafts		
Within one year or on demand	648,135	588,902
Between two and five years	456,000	-
After five years	3,277,615	3,885,000
Other loans		
Within one year or on demand	3,534	-
Between one and two years	3,534	-
	<u>4,388,818</u>	<u>4,473,902</u>
Less amounts included in current liabilities (note 11)	651,669	588,902
	<u>3,737,149</u>	<u>3,885,000</u>

13 Commitments under hire purchase agreements

	<u>2011</u> £	<u>2010</u> £
Amounts payable within 1 year (note 11)	3,534	-
Amounts payable between 2 to 5 years (note 12)	3,534	-
	<u>7,068</u>	<u>-</u>

LINDEN CARE HOMES LIMITED

Notes to the abbreviated accounts for the year ended 31 March 2011 (continued)

14 Called-up share capital

	<u>2011</u> £	<u>2010</u> £
<i>Allotted, called up and fully paid</i>		
<i>Equity shares:</i>		
Ordinary shares of £1 each	<u>11</u>	<u>11</u>

15 Reserves

	<i>Profit and loss account</i> £
At 1 April 2010	912,252
Profit for the year	6,040
At 31 March 2011	<u>918,292</u>

16 Reconciliation of movement in shareholders' funds

	<u>2011</u> £	<u>2010</u> £
Profit for the year	6,040	111,509
Shareholders' funds at 1 April 2010	<u>912,263</u>	<u>800,754</u>
Shareholders' funds at 31 March 2011	<u>918,303</u>	<u>912,263</u>

17 Notes to the cash flow statement

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

	<u>2011</u> £	<u>2010</u> £
Operating profit	175,611	253,028
Depreciation charges	143,074	138,725
Increase/2010 decrease in debtors	(8,927)	12,428
Decrease in creditors	<u>(104,076)</u>	<u>(45,921)</u>
Net cash inflow from operating activities	<u>205,682</u>	<u>358,260</u>

b) Analysis of change in net debt

	<i>Brought forward</i>	<i>Cash flows</i>	<i>Other changes</i>	<i>Earned forward</i>
Cash at bank and in hand	216,290	(103,536)	-	112,754
Bank overdraft	<u>(198,902)</u>	<u>54,767</u>	-	<u>(144,135)</u>
	17,388	(48,769)	-	(31,381)
Debt due within one year	(390,000)	(114,000)	(3,534)	(507,534)
Debt due after more than one year	<u>(3,885,000)</u>	<u>151,385</u>	<u>(3,534)</u>	<u>(3,737,149)</u>
	<u>(4,257,612)</u>	<u>(11,384)</u>	<u>(7,068)</u>	<u>(4,276,064)</u>

LINDEN CARE HOMES LIMITED

Notes to the abbreviated accounts for the year ended 31 March 2011 (continued)

17 Notes to the cash flow statement (continued)

c) Reconciliation of net cash flow to movement in debt

	<u>2011</u> £	<u>2010</u> £
Net decrease/2010 increase in cash	(48,769)	91,685
Reduction in/2010 increase in long term bank loan	37,385	(1,221,452)
Increase in/2010 reduction in finance lease and HP contracts	(7,068)	1
Changes in net debt	(18,452)	(1,129,766)
Net debt at 1 April 2010	(4,257,612)	(3,127,846)
Net debt at 31 March 2011	<u>(4,276,064)</u>	<u>(4,257,612)</u>

18 Leasing commitments

Operating leases

The company's annual commitments for rental payments under non-cancellable operating leases at 31 March 2011 were as set out below

	<u>2011</u> <u>Other</u> £	<u>2010</u> <u>Other</u> £
Operating leases which expire		
Within one year	-	534
Within two to five years	22,173	19,205
	<u>22,173</u>	<u>19,739</u>

19 Directors transactions

During the year ended 31 March 2011 expenses were incurred with Oakland Management Services Limited totalling £32,910. The director of this company is Mrs D Leyland who is also a shareholder and General Manager of Linden Care Home Limited. All transactions were made at normal commercial rates and were in respect of management consultancy. As at 31 March 2011 there were no amounts due to Oakland Management Services Limited (2010 £NIL).

20 Bank loans

During July 2009 the existing National Westminster plc bank loans were consolidated with the Royal Bank of Scotland. The advance of £3,885,000 was negotiated at a 10 year Libor Cap of 4.5% starting 14 July 2009 tested against 1 month Libor. A premium of £3,105 is payable each month throughout the 10 year term to protect against any Libor rise. The Libor Cap agreement is due to expire on 13 June 2019.

To finance the purchase of Ratcliffe Buildings, Nuneaton, a loan advance was negotiated with National Westminster plc in March 2010. The loan amount of £390,000 is set at a 12 month term and is repayable on demand.

LINDEN CARE HOMES LIMITED

Notes to the abbreviated accounts for the year ended 31 March 2011 (continued)

21 Investment property

Included in Land and Buildings (note9) 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). The net book value of the investment property at 31 March 2011 is £395,106 (2010 £401,868). The property was last valued in March 2009 at an open market value of £380,000. The valuation was conducted by Carpenter Surveyors, Nuneaton. The director is of the opinion that no revaluation of the investment property is required as the open market value is not materially different from the carrying value in the accounts.