

**Company Registration No. 02565595 (England and Wales)**

**AGE NURSING HOMES LTD**  
**CONSOLIDATED ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

# AGE NURSING HOMES LTD

## COMPANY INFORMATION

---

**Directors** J R Hainsworth - Adams  
S A Hainsworth

**Secretary** J R Hainsworth - Adams

**Company number** 02565595

**Registered office** 249 Cranbrook Road  
Ilford  
Essex  
IG1 4TG

**Auditor** Leibovitch & Co  
249 Cranbrook Road  
Ilford  
Essex  
IG1 4TG

---

# **AGE NURSING HOMES LTD**

## **CONTENTS**

---

	<b>Page</b>
Strategic report	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Profit and loss account	8
Group statement of comprehensive income	9
Group balance sheet	10
Company balance sheet	11
Group statement of changes in equity	12
Company statement of changes in equity	13
Group statement of cash flows	14
Company statement of cash flows	15
Notes to the financial statements	16 - 31

---

# **AGE NURSING HOMES LTD**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

---

The directors present the strategic report for the year ended 31 December 2018.

### **Fair review of the business**

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth of the subsidiaries in the foreseeable future.

### **Development and performance**

The company's goal is to build up a growing, successful business for each of its subsidiaries. The directors are confident of increased turnover and profitability in the future.

### **Key performance indicators**

The management team follow a continuous review of the performance of the company's subsidiaries through monthly senior management meetings. Action plans are developed and reviewed on an ongoing basis. The key risks are principally the competitiveness of the UK market. Sales opportunities are continually evaluated to the current market and economic climate

On behalf of the board

J R Hainsworth - Adams

**Director**

27 September 2019

# **AGE NURSING HOMES LTD**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

---

The directors present their annual report and financial statements for the year ended 31 December 2018.

### **Principal activities**

The principal activity of the company and group continued to be that of the operation of Nursing Homes.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J R Hainsworth - Adams

S A Hainsworth

### **Results and dividends**

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **Employee involvement**

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

### **Auditor**

In accordance with the company's articles, a resolution proposing that Leibovitch & Co be reappointed as auditor of the group will be put at a General Meeting.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

## **AGE NURSING HOMES LTD**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

---

On behalf of the board

J R Hainsworth - Adams  
**Director**

27 September 2019

## **AGE NURSING HOMES LTD**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

---

The directors are responsible for preparing the Annual 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 group and company, and of the profit or loss of the group for that period. 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# AGE NURSING HOMES LTD

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF AGE NURSING HOMES LTD

---

#### Opinion

We have audited the financial statements of AGE Nursing Homes Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2018 and of the group's 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# **AGE NURSING HOMES LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF AGE NURSING HOMES LTD**

---

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **The purpose of our audit work and to whom we owe our responsibilities**

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.

# **AGE NURSING HOMES LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF AGE NURSING HOMES LTD**

---

**Barry Leibovitch (Senior Statutory Auditor)**  
**for and on behalf of Leibovitch & Co**

30 September 2019

**Chartered Accountants**  
**Statutory Auditor**

249 Cranbrook Road  
Ilford  
Essex  
IG1 4TG

## AGE NURSING HOMES LTD

### GROUP PROFIT AND LOSS ACCOUNT

*FOR THE YEAR ENDED 31 DECEMBER 2018*

	Notes	2018 £	2017 £
Turnover	3	7,069,329	6,744,597
Cost of sales		(5,964,227)	(5,521,162)
<b>Gross profit</b>		<b>1,105,102</b>	<b>1,223,435</b>
Administrative expenses		(940,399)	(1,008,698)
<b>Operating profit</b>	4	<b>164,703</b>	<b>214,737</b>
Interest receivable and similar income	8	6	2
Interest payable and similar expenses	9	(119,024)	(101,507)
<b>Profit before taxation</b>		<b>45,685</b>	<b>113,232</b>
Tax on profit	10	(32,564)	(46,861)
<b>Profit for the financial year</b>		<b>13,121</b>	<b>66,371</b>

Profit for the financial year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

## AGE NURSING HOMES LTD

### GROUP STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 31 DECEMBER 2018*

---

	2018	2017
	£	£
Profit for the year	13,121	66,371
Other comprehensive income	-	-
Total comprehensive income for the year	<u>13,121</u>	<u>66,371</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

# AGE NURSING HOMES LTD

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2018

		2018		2017	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Goodwill	11		1,997,900		1,997,900
Tangible assets	12		8,974,015		9,151,395
			<u>10,971,915</u>		<u>11,149,295</u>
<b>Current assets</b>					
Stocks	16	30,000		-	
Debtors	17	854,800		790,886	
Cash at bank and in hand		309,731		313,408	
		<u>1,194,531</u>		<u>1,104,294</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(2,894,969)</u>		<u>(2,784,359)</u>	
<b>Net current liabilities</b>			<u>(1,700,438)</u>		<u>(1,680,065)</u>
<b>Total assets less current liabilities</b>			9,271,477		9,469,230
<b>Creditors: amounts falling due after more than one year</b>	19		(3,952,700)		(4,152,700)
<b>Provisions for liabilities</b>	21		(73,942)		(84,816)
<b>Net assets</b>			<u>5,244,835</u>		<u>5,231,714</u>
<b>Capital and reserves</b>					
Called up share capital	23		202		202
Profit and loss reserves			5,244,633		5,231,512
<b>Total equity</b>			<u>5,244,835</u>		<u>5,231,714</u>

The financial statements were approved by the board of directors and authorised for issue on 27 September 2019 and are signed on its behalf by:

J R Hainsworth - Adams  
**Director**

# AGE NURSING HOMES LTD

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2018

		2018		2017	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		7,447,079		7,583,555
Investments	13		2,012,100		2,012,100
			<u>9,459,179</u>		<u>9,595,655</u>
<b>Current assets</b>					
Stocks	16	30,000		-	
Debtors	17	751,548		716,119	
Cash at bank and in hand		202,464		258,990	
		<u>984,012</u>		<u>975,109</u>	
<b>Creditors: amounts falling due within one year</b>	18	(2,696,682)		(2,501,071)	
<b>Net current liabilities</b>			<u>(1,712,670)</u>		<u>(1,525,962)</u>
<b>Total assets less current liabilities</b>			<u>7,746,509</u>		<u>8,069,693</u>
<b>Creditors: amounts falling due after more than one year</b>	19		(3,952,700)		(4,152,700)
<b>Provisions for liabilities</b>	21		(56,774)		(61,947)
<b>Net assets</b>			<u>3,737,035</u>		<u>3,855,046</u>
<b>Capital and reserves</b>					
Called up share capital	23		202		202
Profit and loss reserves			3,736,833		3,854,844
<b>Total equity</b>			<u>3,737,035</u>		<u>3,855,046</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £118,011 (2017 - £405,520 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 27 September 2019 and are signed on its behalf by:

J R Hainsworth - Adams  
**Director**

**Company Registration No. 02565595**

## AGE NURSING HOMES LTD

### GROUP STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 31 DECEMBER 2018*

	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 January 2017</b>	202	5,165,141	5,165,343
<b>Year ended 31 December 2017:</b>			
Profit and total comprehensive income for the year	-	66,371	66,371
<b>Balance at 31 December 2017</b>	202	5,231,512	5,231,714
<b>Year ended 31 December 2018:</b>			
Profit and total comprehensive income for the year	-	13,121	13,121
<b>Balance at 31 December 2018</b>	202	5,244,633	5,244,835

## AGE NURSING HOMES LTD

### COMPANY STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 31 DECEMBER 2018*

	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 January 2017</b>	202	3,449,324	3,449,526
<b>Year ended 31 December 2017:</b>			
Profit and total comprehensive income for the year	-	405,520	405,520
<b>Balance at 31 December 2017</b>	202	3,854,844	3,855,046
<b>Year ended 31 December 2018:</b>			
Loss and total comprehensive income for the year	-	(118,011)	(118,011)
<b>Balance at 31 December 2018</b>	202	3,736,833	3,737,035



# AGE NURSING HOMES LTD

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	24		470,962		(137,335)
Interest paid			(119,024)		(101,507)
Income taxes paid			(38,451)		(73,233)
<b>Net cash inflow/(outflow) from operating activities</b>			313,487		(312,075)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(117,170)		(471,099)	
Interest received		6		2	
<b>Net cash used in investing activities</b>			(117,164)		(471,097)
<b>Financing activities</b>					
Repayment of bank loans		(200,000)		790,944	
<b>Net cash (used in)/generated from financing activities</b>			(200,000)		790,944
<b>Net (decrease)/increase in cash and cash equivalents</b>			(3,677)		7,772
Cash and cash equivalents at beginning of year			313,408		305,636
<b>Cash and cash equivalents at end of year</b>			309,731		313,408

# AGE NURSING HOMES LTD

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	25		399,246		(146,327)
Interest paid			(119,024)		(101,507)
Income taxes paid			(38,451)		(45,425)
<b>Net cash inflow/(outflow) from operating activities</b>			241,771		(293,259)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(98,303)		(423,582)	
Interest received		6		2	
<b>Net cash used in investing activities</b>			(98,297)		(423,580)
<b>Financing activities</b>					
Repayment of bank loans		(200,000)		790,944	
<b>Net cash (used in)/generated from financing activities</b>			(200,000)		790,944
<b>Net (decrease)/increase in cash and cash equivalents</b>			(56,526)		74,105
Cash and cash equivalents at beginning of year			258,990		184,885
<b>Cash and cash equivalents at end of year</b>			202,464		258,990

# AGE NURSING HOMES LTD

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

### **1 Accounting policies**

#### **Company information**

AGE Nursing Homes Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is .

The group consists of AGE Nursing Homes Ltd and all of its subsidiaries.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £118,011 (2017 - £405,520 profit).

# AGE NURSING HOMES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

---

### 1 Accounting policies

(Continued)

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill. The consolidated financial statements incorporate those of AGE Nursing Homes Ltd and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

#### 1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

# AGE NURSING HOMES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

---

### 1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on cost
Leasehold land and buildings	10% on cost
Plant and equipment	25% on net book value
Fixtures and fittings	25% on net book value
Motor vehicles	25% on net book value

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# AGE NURSING HOMES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

---

### 1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

### 1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# AGE NURSING HOMES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

---

### 1 Accounting policies

(Continued)

#### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

# AGE NURSING HOMES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

---

### 1 Accounting policies

(Continued)

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

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 group after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.



# AGE NURSING HOMES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

---

### 1 Accounting policies

(Continued)

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 group after deducting all of its liabilities.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### **1.12 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### **1.13 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.14 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.15 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# AGE NURSING HOMES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 1 Accounting policies

(Continued)

#### 1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2018	2017
	£	£
<b>Sales</b>		
	7,069,329	6,744,597
	<u>          </u>	<u>          </u>

#### Turnover analysed by geographical market

	2018	2017
	£	£
United Kingdom	7,069,329	6,744,597
	<u>          </u>	<u>          </u>

### 4 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	293,800	318,160
Cost of stocks recognised as an expense	651,094	572,607
Operating lease charges	1,611	-
	<u>          </u>	<u>          </u>

# AGE NURSING HOMES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 5 Auditor's remuneration

	2018	2017
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	4,000	4,000
Audit of the financial statements of the company's subsidiaries	4,000	4,000
	<u>8,000</u>	<u>8,000</u>

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

Group	2017	Company	2017
2018	2017	2018	2017
Number	Number	Number	Number
258	254	196	194
<u>258</u>	<u>254</u>	<u>196</u>	<u>194</u>

Their aggregate remuneration comprised:

	Group	2017	Company	2017
	2018	2017	2018	2017
	£	£	£	£
Wages and salaries	4,999,128	4,668,645	3,668,187	3,265,718
Social security costs	352,682	329,818	276,553	256,125
Pension costs	49,895	26,233	39,230	20,017
	<u>5,401,705</u>	<u>5,024,696</u>	<u>3,983,970</u>	<u>3,541,860</u>

### 7 Directors' remuneration

	2018	2017
	£	£
Remuneration for qualifying services	35,000	45,417
	<u>35,000</u>	<u>45,417</u>

### 8 Interest receivable and similar income

	2018	2017
	£	£
<b>Interest income</b>		
Interest on bank deposits	3	2
Other interest income	3	-
	<u>6</u>	<u>2</u>

# AGE NURSING HOMES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 8 Interest receivable and similar income (Continued)

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	3	2
	<u>          </u>	<u>          </u>

### 9 Interest payable and similar expenses

	2018 £	2017 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Other interest on financial liabilities	119,024	101,507
	<u>          </u>	<u>          </u>

### 10 Taxation

	2018 £	2017 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	43,438	63,344
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(10,874)	(16,483)
	<u>          </u>	<u>          </u>
 Total tax charge	 32,564	 46,861
	<u>          </u>	<u>          </u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	45,685	113,232
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%)	8,680	21,514
Tax effect of expenses that are not deductible in determining taxable profit	74,046	413
Tax effect of income not taxable in determining taxable profit	(83,433)	-
Group relief	-	(346)
Permanent capital allowances in excess of depreciation	34,645	40,605
Other non-reversing timing differences	4,327	(16,036)
Deferred tax adjustments in respect of prior years	(5,701)	(373)
Tax at marginal rate	-	1,084
	<u>          </u>	<u>          </u>
Taxation charge	32,564	46,861
	<u>          </u>	<u>          </u>

# AGE NURSING HOMES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 11 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 1 January 2018	-
Additions - separately acquired	1,997,900
At 31 December 2018	1,997,900
<b>Amortisation and impairment</b>	
At 1 January 2018 and 31 December 2018	-
<b>Carrying amount</b>	
At 31 December 2018	1,997,900
At 31 December 2017	1,997,900

### 12 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 January 2018	9,523,073	63,761	219,294	2,068,461	23,235	11,897,824
Additions	26,990	-	3,586	85,844	-	116,420
At 31 December 2018	9,550,063	63,761	222,880	2,154,305	23,235	12,014,244
<b>Depreciation and impairment</b>						
At 1 January 2018	945,274	63,761	190,339	1,527,542	19,513	2,746,429
Depreciation charged in the year	127,333	-	8,686	156,503	1,078	293,800
At 31 December 2018	1,072,607	63,761	199,225	1,684,045	20,591	3,040,229
<b>Carrying amount</b>						
At 31 December 2018	8,477,456	-	23,655	470,260	2,644	8,974,015
At 31 December 2017	8,577,799	-	28,955	540,919	3,722	9,151,395

# AGE NURSING HOMES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 12 Tangible fixed assets

(Continued)

Company	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 January 2018	7,722,691	63,761	151,953	1,565,961	19,735	9,524,101
Additions	15,000	-	3,586	79,717	-	98,303
At 31 December 2018	7,737,691	63,761	155,539	1,645,678	19,735	9,622,404
<b>Depreciation and impairment</b>						
At 1 January 2018	582,279	63,761	131,995	1,146,301	16,210	1,940,546
Depreciation charged in the year	103,168	-	5,886	124,844	881	234,779
At 31 December 2018	685,447	63,761	137,881	1,271,145	17,091	2,175,325
<b>Carrying amount</b>						
At 31 December 2018	7,052,244	-	17,658	374,533	2,644	7,447,079
At 31 December 2017	7,140,412	-	19,958	419,660	3,525	7,583,555

### 13 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	14	-	-	2,012,100	2,012,100

#### Movements in fixed asset investments

Company	Shares in group undertakings
	£
<b>Cost or valuation</b>	
At 1 January 2018 and 31 December 2018	2,012,100
<b>Carrying amount</b>	
At 31 December 2018	2,012,100
At 31 December 2017	2,012,100

## AGE NURSING HOMES LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

#### 14 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
AGE Homes Ltd	England and Wales	Dormant	Ordinary	100.00	
SAH Nursing Homes Ltd	England and Wales	Operation of a Nursing Home	Ordinary	100.00	

The aggregate capital and reserves and the profit for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
AGE Homes Ltd		12,100
SAH Nursing Homes Ltd	131,132	1,509,900

#### 15 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	679,068	760,440	609,756	704,137
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	6,707,030	6,806,418	6,516,179	6,529,223

#### 16 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Finished goods and goods for resale	30,000	-	30,000	-

# AGE NURSING HOMES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 17 Debtors

	Group 2018	2017	Company 2018	2017
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	661,002	745,269	597,057	494,177
Amounts owed by group undertakings	-	-	-	197,261
Other debtors	18,066	15,171	12,699	12,699
Prepayments and accrued income	175,732	30,446	141,792	11,982
	<u>854,800</u>	<u>790,886</u>	<u>751,548</u>	<u>716,119</u>

### 18 Creditors: amounts falling due within one year

	Notes	Group 2018	2017	Company 2018	2017
		£	£	£	£
Bank loans	20	200,000	200,000	200,000	200,000
Trade creditors		561,462	247,482	426,954	24,017
Amounts owed to group undertakings		-	-	12,100	12,100
Corporation tax payable		68,331	63,344	68,331	63,344
Other taxation and social security		72,308	67,297	64,872	61,204
Other creditors		1,711,887	1,966,039	1,705,524	1,962,820
Accruals and deferred income		280,981	240,197	218,901	177,586
		<u>2,894,969</u>	<u>2,784,359</u>	<u>2,696,682</u>	<u>2,501,071</u>

### 19 Creditors: amounts falling due after more than one year

	Notes	Group 2018	2017	Company 2018	2017
		£	£	£	£
Bank loans and overdrafts	20	<u>3,952,700</u>	<u>4,152,700</u>	<u>3,952,700</u>	<u>4,152,700</u>

### 20 Loans and overdrafts

	Group 2018	2017	Company 2018	2017
	£	£	£	£
Bank loans	<u>4,152,700</u>	<u>4,352,700</u>	<u>4,152,700</u>	<u>4,352,700</u>
Payable within one year	200,000	200,000	200,000	200,000
Payable after one year	<u>3,952,700</u>	<u>4,152,700</u>	<u>3,952,700</u>	<u>4,152,700</u>



# AGE NURSING HOMES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 20 Loans and overdrafts

(Continued)

The long-term loan is secured by a legal charge over the properties owned by the company.

### 21 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £
<b>Group</b>		
Accelerated capital allowances	73,942	84,816
	<u>73,942</u>	<u>84,816</u>
	Liabilities 2018 £	Liabilities 2017 £
<b>Company</b>		
Accelerated capital allowances	56,774	61,947
	<u>56,774</u>	<u>61,947</u>
	Group 2018 £	Company 2018 £
<b>Movements in the year:</b>		
Liability at 1 January 2018	84,816	61,947
Credit to profit or loss	(10,874)	(5,173)
	<u>73,942</u>	<u>56,774</u>
Liability at 31 December 2018	<u>73,942</u>	<u>56,774</u>

### 22 Retirement benefit schemes

	2018 £	2017 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	49,895	26,233
	<u>49,895</u>	<u>26,233</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

# AGE NURSING HOMES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 23 Share capital

	Group and company	
	2018	2017
<b>Issued and fully paid</b>		
202 Ordinary shares of £1 each	202	202

### 24 Cash generated from/(absorbed by) group operations

	2018	2017
	£	£
Profit for the year after tax	13,121	66,371
<b>Adjustments for:</b>		
Taxation charged	32,564	46,861
Finance costs	119,024	101,507
Investment income	(6)	(2)
Depreciation and impairment of tangible fixed assets	294,550	318,159
<b>Movements in working capital:</b>		
Increase in stocks	(30,000)	-
Increase in debtors	(63,914)	(169,498)
Increase/(decrease) in creditors	105,623	(500,733)
<b>Cash generated from/(absorbed by) operations</b>	<b>470,962</b>	<b>(137,335)</b>

### 25 Cash generated from/(absorbed by) operations - company

	2018	2017
	£	£
(Loss)/profit for the year after tax	(118,011)	405,520
<b>Adjustments for:</b>		
Taxation charged	38,265	47,234
Finance costs	119,024	101,507
Investment income	(6)	(2)
Depreciation and impairment of tangible fixed assets	234,779	250,684
<b>Movements in working capital:</b>		
Increase in stocks	(30,000)	-
Increase in debtors	(35,129)	(351,090)
Increase/(decrease) in creditors	190,624	(600,180)
<b>Cash generated from/(absorbed by) operations</b>	<b>399,246</b>	<b>(146,327)</b>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.