REGISTERED NUMBER: SC109710 (Scotland)

FINANCIAL STATEMENTS

FOR THE PERIOD

1 NOVEMBER 2016 TO 31 AUGUST 2017

FOR

CRAIG-EN-GOYNE CARE COMPANY LIMITED

CRAIG-EN-GOYNE CARE COMPANY LIMITED (REGISTERED NUMBER: SC109710)

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 NOVEMBER 2016 TO 31 AUGUST 2017

CRAIG-EN-GOYNE CARE COMPANY LIMITED

COMPANY INFORMATION
FOR THE PERIOD 1 NOVEMBER 2016 TO 31 AUGUST 2017

DIRECTORS:	Mrs V A Beaton J D Beaton M P Kilmurray Mrs M Kilmurray
REGISTERED OFFICE:	12 Royal Terrace Glasgow G3 7NY
REGISTERED NUMBER:	SC109710 (Scotland)
SENIOR STATUTORY AUDITOR:	Gavin Black
AUDITORS:	Henderson Loggie, Statutory Auditor The Vision Building 20 Greenmarket Dundee DD1 4QB

CRAIG-EN-GOYNE CARE COMPANY LIMITED (REGISTERED NUMBER: SC109710)

BALANCE SHEET
31 AUGUST 2017

	Notes	2017 £	2017 £	2016 £	2016 £
FIXED ASSETS					
Tangible assets	5		**2,391,743**		2,442,695
CURRENT ASSETS					
Debtors	6	**518,362**		85,160	
Cash at bank and in hand		**175,125**		357,941	
		693,487		443,101	
CREDITORS					
Amounts falling due within one year	7	**544,773**		290,338	
NET CURRENT ASSETS			**148,714**		152,763
TOTAL ASSETS LESS CURRENT LIABILITIES			**2,540,457**		2,595,458
CREDITORS					
Amounts falling due after more than one year	8		**-**		(1,480,241)
PROVISIONS FOR LIABILITIES	10		**(94,745)**		(98,130)
NET ASSETS			**2,445,712**		1,017,087
CAPITAL AND RESERVES					
Called up share capital	11		**199,989**		199,989
Revaluation reserve			**55,810**		57,810
Capital contribution reserve			**1,171,801**		-
Retained earnings			**1,018,112**		759,288
SHAREHOLDERS' FUNDS			**2,445,712**		1,017,087

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 30 MAY 2018 and were signed on its behalf by:

M P Kilmurray - Director

J D Beaton - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 NOVEMBER 2016 TO 31 AUGUST 2017**

1. STATUTORY INFORMATION

Craig-En-Goyne Care Company Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 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 presented 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. The principal accounting policies are set out below.

Turnover
Turnover represents invoiced sales of services during the year. Turnover is recognised as the care service is provided.

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

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold Property	-	2% on a straight line basis
Fixtures & fittings	-	25% on a reducing balance basis
Motor vehicles	-	25% on a reducing balance basis

Impairment of fixed assets
At each reporting end date, the company 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.

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.

continued...

3. **ACCOUNTING POLICIES - continued**

Taxation

Current Tax

The tax expense represents the sum of the tax currently payable and deferred 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 company'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 when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities.

Pension costs and other post-retirement benefits

Defined contribution scheme amounts are charged to the profit and loss account in respect of pension costs and other retirement benefits based on the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

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.

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3. **ACCOUNTING POLICIES - continued**

Financial instruments

The company 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 company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

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 company 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 company 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 receipts 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.

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3. **ACCOUNTING POLICIES - continued**

Derecognition of financial liabilities
Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

4. **EMPLOYEES AND DIRECTORS**

The average number of employees during the period was 73 (2016 - 66).

5. **TANGIBLE FIXED ASSETS**

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 November 2016	3,075,428	304,995	6,000	3,386,423
Additions	-	5,736	-	5,736
At 31 August 2017	3,075,428	310,731	6,000	3,392,159
DEPRECIATION				
At 1 November 2016	680,514	257,214	6,000	943,728
Charge for period	45,539	11,149	-	56,688
At 31 August 2017	726,053	268,363	6,000	1,000,416
NET BOOK VALUE				
At 31 August 2017	2,349,375	42,368	-	2,391,743
At 31 October 2016	2,394,914	47,781	-	2,442,695

The land and buildings were independently valued in 1990 on an open market basis. During the year to 31 October 2016, the company took advantage of the transitional provisions of FRS102 and opted to treat the 1990 valuation of land and buildings as deemed cost. Further information explaining the impact of transition to FRS102 is included in note 15 to the financial statements.

Included in fixed assets is freehold land at deemed cost of £343,061 (2016: £343,061) which is not depreciated.

If the land and buildings had not been included at deemed cost based on valuation in 1990, they would have been included under the historical cost convention as follows:

	2017 £	2016 £
Cost	2,971,588	2,971,588
Accumulated depreciation	(692,503)	(648,514)
	2,279,085	2,323,074

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6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade debtors	85,944	85,026
Other debtors	698	134
Amounts due from group undertakings	427,200	-
Prepayments and accrued income	4,520	-
	518,362	85,160

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts	-	92,215
Trade creditors	12,223	13,729
Tax	77,962	82,154
Social security and other taxes	15,948	10,487
Other creditors	9	3,913
Amounts due to group undertakings	350,199	-
Accrued expenses	88,432	87,840
	544,773	290,338

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Bank loans - 1-2 years	-	1,480,241

9. SECURED DEBTS

The following secured debts are included within creditors:

	2017	2016
	£	£
Bank loans	-	1,572,456

The bank loan facilities are secured by first ranking standard securities over the Craig-En-Goyne Care Home, Tak ma Doon Road, Kilsyth, together with a bond and floating charge over the assets of the company.

The company is party to cross-guarantees with other companies in the Third Life Care Group in respect of group loan facilities. At the year end the group cross guarantee amounted to £10.5m and relates to all freehold land and buildings owned by all group entities.

10. PROVISIONS FOR LIABILITIES

	2017	2016
	£	£
Deferred tax		
Accelerated capital allowances	94,745	98,130

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10. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 November 2016	98,130
Released during the year	(3,385)
Balance at 31 August 2017	94,745

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**2017 £**	2016 £
199,989	Ordinary	£1	**199,989**	199,989

All shares have rank equally in dividend and voting rights.

12. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

The financial statements of the Company for the year ended 31 October 2016 were not audited.

Gavin Black (Senior Statutory Auditor)
for and on behalf of Henderson Loggie, Statutory Auditor

13. RELATED PARTY DISCLOSURES

The company has taken the exemption available in Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") not to disclose transactions with group companies that are included in the consolidated accounts of the company's ultimate parent undertaking, Third Life Care Limited.

14. ULTIMATE CONTROLLING PARTY

The immediate parent company is Chipfuse Limited, a company limited by shares (company number SC164568). The ultimate parent company is Third Life Care Limited, a company limited by shares (company number SC164546) The ultimate parent company draws up the consolidated financial statements for the group and are available from Companies House. The parent company is registered at 12 Royal Terrace, Glasgow G3 7NY. The directors of the company beneficially own 100% of issued share capital of Third Life Care Limited. The directors therefore control the company.

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15. FIRST YEAR ADOPTION

The financial statements of Craig-en-Goyne Care Company Limited for the period ended 31 August 2017 are the first financial statements prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 November 2015.

The company have taken advantage of the transitional provisions of FRS102 and opted for the 1990 valuation of Freehold land and buildings to be treated as deemed cost. The total value of land and property of £3,023,776 at 1 November 2015 will be treated as cost and no further revaluations required.

Reconciliation of equity

	31 October 2016	1 November 2015
	£	£
Equity as reported under previous UK GAAP	**1,031,117**	779,310
Deferred tax on revaluation	**(14,030)**	(14,030)
Equity reported under FRS 102	**1,017,087**	765,280

Changes for FRS 102 adoption
Deferred tax is now recognised on all timing differences, including revaluation gains. This leads to an additional deferred tax liability of £14,030 being recognised on transition. Previously deferred tax would only be recognised on such gains where there was an agreement to sell the revalued asset.