

**Strategic Report,  
Report of the Director and  
Financial Statements  
for the Year Ended 31 March 2020  
for  
Mediline Group Services Limited**

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for the Year Ended 31 March 2020**

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**Mediline Group Services Limited**

**Company Information  
for the Year Ended 31 March 2020**

**DIRECTOR:** P C Cook

**REGISTERED OFFICE:** 3rd Floor  
Butt Dyke House  
33 Park Row  
Nottingham  
NG1 6EE

**BUSINESS ADDRESS:** Charnock Road  
Fazakerley  
Liverpool  
L9 6AW

**REGISTERED NUMBER:** 02068130 (England and Wales)

**AUDITORS:** HSKS Greenhalgh  
Chartered Accountants &  
Statutory Auditor  
3rd Floor  
Butt Dyke House  
33 Park Row  
Nottingham  
NG1 6EE

**Strategic Report  
for the Year Ended 31 March 2020**

The director presents his strategic report for the year ended 31 March 2020.

**REVIEW OF BUSINESS**

During the year under review, Mediline Group Services Limited continued to deliver central support to its operating subsidiaries that comprise of:-

- Mediline Supported Living Limited
- North West Community Services Training Ltd

The central support provided to these companies is by way of providing board strategy, the provision of a centralised human resource facility, finance, banking, I.T. and payroll in addition to the preparation of management accounts.

During the financial year, the company took the strategic decision to focus its operational activities in the provision of support to people with learning disabilities and to this end sold its full shareholding in North West Community Services Training Ltd which was concluded in January 2020.

Performance for the year was positive with the company showing a substantial increase from the previous years profit as outlined in the key performance indicators stated within this report. It should be noted that the stated profit is impacted positively by a £137K gain on an investment property.

**Strategic Report  
for the Year Ended 31 March 2020**

**PRINCIPAL RISKS AND UNCERTAINTIES**

Risks within the Group are identified and assessed against Mediline's strategic aims and objectives at every level within the organisation.

The board oversees strategic risks with the support of the quality compliance committee. The committee is satisfied with the processes for identifying, managing and reporting risks at an operational level.

We have evaluated the particular risk of Brexit, primarily in the context of recruitment and retention of support work staff. At the time of preparing this report, we do not believe this poses a material risk to our ability to operate.

At the strategic level we have identified several strategic risks faced by the organisation. All activity is reviewed in the context of these risks which sit below and are associated with them.

Principle risks	What the risks mean	How these risks are managed
Maintaining the quality of services	The safety and wellbeing of the people we support may be affected if we don't have adequate systems and processes in place.	We ensure that our staff are trained on operational and safeguarding policies and procedures. We have a clear process for fast reporting of any serious incidents. We have effective budgeting and forecasting processes and have borrowing facilities in place. We have addressed all historical sleep-ins to ensure compliance with the minimum wage. The potential liability for any future underpayment will be determined by the outcome of the Court of Appeal.
Maintaining financial sustainability	If we don't generate sufficient net income, we may be unable to operate.++There is a particular risk as to whether National Living Wage should be applied retrospectively to historic sleep-ins.	We regularly review our recruitment processes. We embed our values in appraisal and training. We regularly review our governance structures and performance. We have processes in place to lead strategic change and we are developing our ability to measure the impact that we make.
People and capacity	We need to attract, develop and retain talented staff in a competitive labour market	
Governance and strategy	If the right governance structures are not in place, we may be unable to drive our strategy or to improve the lives of people with a learning disability.	

As the financial year ended, the global Coronavirus pandemic began to impact on the UK and particularly in the Health and Social Care sector. The company has a pandemic response strategy in place within the business continuity plan which has served the organisation well and negated any significant impact.

The directors continue to monitor the impact of the pandemic on an ongoing basis. At the time of approving these financial statements, the directors do not consider the pandemic to impact the company's ability to continue as a going concern and considers the balance sheet to be appropriately valued.

**Strategic Report  
for the Year Ended 31 March 2020**

**KEY PERFORMANCE INDICATORS**

As the company derives its income in the main from internal recharges the ability to remain profitable and have distributable reserves is the minimum KPI. The company also receives rental income from Group Companies, private tenancy agreements and external Housing Associations.

	2020 £	2019 £
Company income	932,424	919,717
Company profit before tax excl income from shares in group undertakings	428,717	248,721
Company profit margin before tax	46.0%	27.0%

The directors report a profit margin which is in line with expectations during the year under review.

**ON BEHALF OF THE BOARD:**

P C Cook - Director

31 March 2021

**Report of the Director  
for the Year Ended 31 March 2020**

The director presents his report with the financial statements of the company for the year ended 31 March 2020.

**PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were those of the provision of property to support the social care commitments of its subsidiaries and external care providers. The company also provides central administrative support to its subsidiary companies.

**DIVIDENDS**

An interim dividend of £150 per share was paid on 21 January 2020. The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 31 March 2020 will be £ 6,000,000 .

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

P C Cook has held office during the whole of the period from 1 April 2019 to the date of this report.

Other changes in directors holding office are as follows:

M W Baines and C W Murray ceased to be directors after 31 March 2020 but prior to the date of this report. M W Baines was subsequently reappointed as a director prior to the date of this report.

**FINANCIAL INSTRUMENTS**

The company finances its operations through retained profits and, where necessary to fund expansion or capital expenditure programmes, through bank borrowings.

The management's objectives are to:

- retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due whilst maximising returns on surplus funds;
- minimise the company's exposure to fluctuating interest rates when seeking new borrowings; and
- match the repayment schedule of any external borrowings or overdrafts with the expected future cash flows expected to arise from the company's trading activities.

Where appropriate, funds are invested in sterling treasury deposit accounts. There is therefore no price risk exposure.

**EMPLOYEE INVOLVEMENT**

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

Information of 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 company'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 group's performance.

**DISABLED PERSONS**

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

**Report of the Director  
for the Year Ended 31 March 2020**

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Strategic Report, the Report of the Director 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

P C Cook - Director

31 March 2021



**Report of the Independent Auditors to the Members of  
Mediline Group Services Limited (Registered number: 02068130)**

**Opinion**

We have audited the financial statements of Mediline Group Services Limited (the 'company') for the year ended 31 March 2020 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity 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 Financial Reporting Standard 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 company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 Auditors' 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors 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.

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

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

- the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of  
Mediline Group Services Limited (Registered number: 02068130)**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Director.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of director**

As explained more fully in the Statement of Director's Responsibilities set out on page six, the director is 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 director determines 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 director is responsible for assessing the 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

**Auditors' 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 a Report of the Auditors 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 [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

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 a Report of the Auditors 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.

Philip Handley (FCA) (Senior Statutory Auditor)  
for and on behalf of HSKS Greenhalgh  
Chartered Accountants &  
Statutory Auditor  
3rd Floor  
Butt Dyke House  
33 Park Row  
Nottingham  
NG1 6EE

31 March 2021

**Mediline Group Services Limited (Registered number: 02068130)**

**Income Statement  
for the Year Ended 31 March 2020**

	Notes	2020 £	2019 £
<b>TURNOVER</b>	3	<b>932,424</b>	896,383
Administrative expenses		<u>(644,806)</u>	<u>(649,862)</u>
		<b>287,618</b>	246,521
Gain/loss on revaluation of investment property		<u>137,908</u>	-
<b>OPERATING PROFIT</b>	5	<b>425,526</b>	246,521
Income from shares in group undertakings		<b>2,500,000</b>	-
Interest receivable and similar income		<u>3,421</u>	<u>2,316</u>
		<b>2,928,947</b>	248,837
Interest payable and similar expenses	6	<u>(230)</u>	<u>(206)</u>
<b>PROFIT BEFORE TAXATION</b>		<b>2,928,717</b>	248,631
Tax on profit	7	<u>(66,708)</u>	<u>(59,418)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>2,862,009</u></b>	<u>189,213</u>

The notes form part of these financial statements

Other Comprehensive Income  
for the Year Ended 31 March 2020

	Notes	2020 £	2019 £
<b>PROFIT FOR THE YEAR</b>		<b>2,862,009</b>	<b>189,213</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Dividend in specie		(100)	1,741,832
Income tax relating to other comprehensive income		-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<b>(100)</b>	<b>1,741,832</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>2,861,909</u></b>	<b><u>1,931,045</u></b>

Statement of Financial Position  
31 March 2020

	Notes	2020 £	£	2019 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		2,255,017		2,319,387
Investments	10		100		400
Investment property	11		1,347,500		1,198,400
			<u>3,602,617</u>		<u>3,518,187</u>
<b>CURRENT ASSETS</b>					
Debtors	12	119,115		4,141,584	
Cash at bank and in hand		<u>1,777,577</u>		<u>92,404</u>	
		<u>1,896,692</u>		<u>4,233,988</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>4,329,843</u>		<u>3,444,618</u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(2,433,151)</u>		<u>789,370</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,169,466</u>		<u>4,307,557</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		40,000		40,000
Capital redemption reserve	17		20,000		20,000
Other reserves	17		171,686		33,778
Retained earnings	17		<u>937,780</u>		<u>4,213,779</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,169,466</u>		<u>4,307,557</u>

The financial statements were approved by the director and authorised for issue on 31 March 2021 and were signed by:

P C Cook - Director

**Statement of Changes in Equity  
for the Year Ended 31 March 2020**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Capital redemption reserve £</b>	<b>Other reserves £</b>	<b>Total equity £</b>
<b>Balance at 1 April 2018</b>	40,000	2,282,734	20,000	33,778	2,376,512
<b>Changes in equity</b>					
Total comprehensive income	-	1,931,045	-	-	1,931,045
<b>Balance at 31 March 2019</b>	<u>40,000</u>	<u>4,213,779</u>	<u>20,000</u>	<u>33,778</u>	<u>4,307,557</u>
<b>Changes in equity</b>					
Dividends	-	(6,000,000)	-	-	(6,000,000)
Total comprehensive income	-	2,724,001	-	137,908	2,861,909
<b>Balance at 31 March 2020</b>	<u>40,000</u>	<u>937,780</u>	<u>20,000</u>	<u>171,686</u>	<u>1,169,466</u>

**Notes to the Financial Statements  
for the Year Ended 31 March 2020**

**1. STATUTORY INFORMATION**

Mediline Group Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information Page. The company's principal place of business is Bechers House, Charnock Road, Aintree, Liverpool, L9 6AW.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

**Preparation of consolidated financial statements**

The financial statements contain information about Mediline Group Services Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Peter Cook Limited, 3rd Floor, Butt Dyke House, 33 Park Row, Nottingham, NG1 6EE.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Turnover**

Turnover represents rent receivable for the year and management charges receivable from subsidiary companies for central support services provided during the year.

Rents receivable under operating leases are charged to the income statement on a straight line basis over the period of the lease.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings freehold	2% straight line
Land and buildings leasehold	2% straight line
Fixtures, fittings and equipment	20-50% straight line
Motor vehicles	25% straight line

**Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

2. **ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

**Going concern**

At the year end the company had net current liabilities of £2,433,151 (net current assets 2019: £789,370), arising predominantly as a result of amounts due to group undertakings. Financial forecasts prepared indicate that the group will remain profitable. It is on this basis that the directors consider that the company will have adequate cash resources available to fund its trading and other obligations during the course of the twelve months from the date the financial statements are approved. Consequently the accounts have been prepared on the going concern basis.

Since the end of the year under review, the COVID-19 pandemic has become a significant emerging risk to the global economy. The directors continue to monitor the impact on the business on an ongoing basis.

At the time of approving these financial statements, the directors do not consider COVID-19 to impact the company's ability to continue as a going concern and considers the balance sheet to be appropriately valued. The directors note this is a non-adjusting post balance sheet event.



Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

3. **TURNOVER**

The turnover and profit before taxation are attributable to the principal activities of the company.

An analysis of turnover by class of business is given below:

	2020	2019
	£	£
Rent receivable	415,450	386,890
Management charges receivable	516,974	509,493
	<u>932,424</u>	<u>896,383</u>

4. **EMPLOYEES AND DIRECTORS**

	2020	2019
	£	£
Wages and salaries	331,272	333,226
Other pension costs	47,029	50,162
	<u>378,301</u>	<u>383,388</u>

The average number of employees during the year was as follows:

	2020	2019
Directors and management	3	3
Administration	9	10
	<u>12</u>	<u>13</u>

Directors' remuneration paid by subsidiary companies during the year ended 31 March 2020 was £71,586 (2019: £63,953).

The number of directors accruing retirement benefits in both the company and its subsidiaries during the year ended 31 March 2020 was 1 (2019: 1).

The remuneration paid in total by the company and its subsidiaries to the highest paid director during the year ended 31 March 2020 was £128,378 (2019: £118,954), comprising salary and benefits in kind of £88,378 (2019: £78,954) and pension contributions of £40,000 (2019: £40,000).

	2020	2019
	£	£
Directors' remuneration	16,792	15,001
Directors' pension contributions to money purchase schemes	<u>40,000</u>	<u>40,000</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Hire of plant and machinery	551	4,944
Other operating leases	2,802	3,118
Depreciation - owned assets	77,573	75,868
Loss/(profit) on disposal of fixed assets	200	(5,296)
Auditors' remuneration	<u>4,350</u>	<u>4,270</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Corporation tax interest	<u>230</u>	<u>206</u>

7. TAXATION

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2020	2019
	£	£
Current tax:		
UK corporation tax	64,460	57,612
Deferred tax	<u>2,248</u>	<u>1,806</u>
Tax on profit	<u>66,708</u>	<u>59,418</u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2020	2019
	£	£
Profit before tax	<u>2,928,717</u>	<u>248,631</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	556,456	47,240
Effects of:		
Expenses not deductible for tax purposes	(702)	9
Depreciation in excess of capital allowances	9,909	10,363
Deferred tax	2,248	1,806
Dividends	(475,000)	-
Gain on revaluation	(26,203)	-
Total tax charge	<u>66,708</u>	<u>59,418</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

7. **TAXATION - continued**

Tax effects relating to effects of other comprehensive income

	Gross £	2020 Tax £	Net £
Dividend in specie	<u>(100)</u>	<u>-</u>	<u>(100)</u>
	Gross £	2019 Tax £	Net £
Dividend in specie	<u>1,741,832</u>	<u>-</u>	<u>1,741,832</u>

8. **DIVIDENDS**

	2020 £	2019 £
Ordinary shares of 1 each Interim	<u>6,000,000</u>	<u>-</u>

9. **TANGIBLE FIXED ASSETS**

	Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 April 2019	2,216,883	865,750	41,554	32,500	3,156,687
Additions	-	-	13,203	-	13,203
At 31 March 2020	<u>2,216,883</u>	<u>865,750</u>	<u>54,757</u>	<u>32,500</u>	<u>3,169,890</u>
<b>DEPRECIATION</b>					
At 1 April 2019	546,762	250,129	37,139	3,270	837,300
Charge for year	44,338	22,267	3,343	7,625	77,573
At 31 March 2020	<u>591,100</u>	<u>272,396</u>	<u>40,482</u>	<u>10,895</u>	<u>914,873</u>
<b>NET BOOK VALUE</b>					
At 31 March 2020	<u>1,625,783</u>	<u>593,354</u>	<u>14,275</u>	<u>21,605</u>	<u>2,255,017</u>
At 31 March 2019	<u>1,670,121</u>	<u>615,621</u>	<u>4,415</u>	<u>29,230</u>	<u>2,319,387</u>

Tangible fixed assets with a net book value of £2,219,137 are pledged as security for the group's bankers.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

10. **FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>COST</b>	
At 1 April 2019	400
Disposals	(300)
At 31 March 2020	100
<b>NET BOOK VALUE</b>	
At 31 March 2020	100
At 31 March 2019	400

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Mediline Supported Living Limited**

Registered office: 3rd Floor, Butt Dyke House, 33 Park Row, Nottingham, NG1 6EE

Nature of business: Provision of services for people with learning disabilities

%

Class of shares: holding

Ordinary 100.00

11. **INVESTMENT PROPERTY**

	Total £
<b>FAIR VALUE</b>	
At 1 April 2019	1,198,400
Additions	11,192
Revaluations	137,908
At 31 March 2020	1,347,500
<b>NET BOOK VALUE</b>	
At 31 March 2020	1,347,500
At 31 March 2019	1,198,400

Details of leasing arrangements relating to investment properties are provided in the notes to the accounts.

Fair value at 31 March 2020 is represented by:

	£
Valuation in 2014	(398,066)
Valuation in 2016	123,500
Valuation in 2020	137,908
Cost	1,484,158
	1,347,500

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

11. **INVESTMENT PROPERTY - continued**

If investment properties had not been revalued they would have been included at the following historical cost:

	2020 £	2019 £
Cost	<u>1,484,158</u>	<u>1,464,566</u>

All investment properties were valued on an open market basis on 25 February 2016 by Pinders Professional & Consultancy Services Ltd, professional valuers regulated by RICS and, with the exception of one property, the directors consider this valuation to reflect their fair value as at 31 March 2020.

One property owned by the company is split equally between freehold and investment property. This property was sold after the year end for £625,000. The investment property portion has been revalued to reflect 50% of the sales value, being £312,500. The directors consider this to be a fair representation of the property's fair value at the balance sheet date.

12. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade debtors	27,951	15,441
Other debtors	26,903	1,365
Amounts owed by group undertakings	-	4,116,727
Tax	4,629	6,877
Prepayments and accrued income	59,632	1,174
	<u>119,115</u>	<u>4,141,584</u>

13. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade creditors	56,485	9,365
Corporation tax	33,783	45,611
Social security and other taxes	1,407	2,177
Other creditors	75,913	63,876
Amounts owed to group undertakings	4,137,755	3,299,547
Accruals and deferred income	24,500	24,042
	<u>4,329,843</u>	<u>3,444,618</u>

14. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020 £	2019 £
Within one year	12,071	35,111
Between one and five years	1,514	13,584
	<u>13,585</u>	<u>48,695</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

14. **LEASING AGREEMENTS - continued**

Future minimum rentals receivable under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	133,586	131,119
Between one and five years	459,646	456,294
In more than five years	1,206,151	1,322,331
	<u>1,799,383</u>	<u>1,909,744</u>

There are six leases in place. The first two are twenty-five year leases expiring on 31 May 2035 at £25,000 and £37,000 per annum respectively with annual inflationary increases. The rentals disclosed are on the basis that the rent continues at the same rent as currently. The third is a 21 year lease at £28,394 per annum expiring on 05 August 2034.

Three additional leases were entered into during the year ended 31 March 2020. The fourth is a three year lease at £21,210 per annum expiring on 31 January 2023. The fifth is a 2 year lease at £25,000 per annum expiring on 31 May 2021 and the sixth is a rolling 3 month lease at £1,505 a quarter. These leases relate to the same property which was sold in August 2020. Therefore, the future minimum lease rentals disclosed above reflect the rent receivable on the three additional leases to the point of the building's sale.

15. **SECURED DEBTS**

On 12 July 2016 a mortgage debenture was registered under the terms of which the group's bankers have a first legal charge over land and buildings and a fixed and floating charge over all property of the company and its 1 subsidiary.

On 21 January 2020 two additional charges were registered under the terms of which the group's bankers have fixed and floating charges over the freehold, leasehold and investment properties owned by the company.

16. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020	2019
			£	£
40,000	Ordinary	1	<u>40,000</u>	<u>40,000</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

17. **RESERVES**

	Retained earnings £	Capital redemption reserve £	Other reserves £	Totals £
At 1 April 2019	4,213,779	20,000	33,778	4,267,557
Profit for the year	2,862,009	-	-	2,862,009
Dividends	(6,000,000)	-	-	(6,000,000)
Surplus on revaluation	(137,908)	-	137,908	-
Dividend in specie	(100)	-	-	(100)
At 31 March 2020	<u>937,780</u>	<u>20,000</u>	<u>171,686</u>	<u>1,129,466</u>

Amounts included within other reserves are non-distributable.

18. **PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. The assets of the pension scheme are held separately from those of the company in an independently administered fund. The pension costs charge represents contributions payable by the company to the fund and amounted to £47,029 (2019: £50,162).

At the balance sheet date, contributions of £4,614 (2019: £4,151) were outstanding and are included within other creditors.

19. **RELATED PARTY DISCLOSURES**

Key management personnel compensation for the year ended 31 March 2020 was £53,756 (2019: £52,806).

20. **POST BALANCE SHEET EVENTS**

Since the balance sheet date, the company has sold one of its properties, receiving proceeds of £625,000. The property sold was split on the balance sheet between freehold and investment property.

21. **ULTIMATE CONTROLLING PARTY**

The company is a wholly owned subsidiary of Peter Cook Limited.

The ultimate controlling parties are P C Cook and Mrs S D Cook by virtue of their controlling interest in the parent company, Peter Cook Limited.

Copies of the group accounts for Peter Cook Limited, whose registered office is 3rd Floor, Butt Dyke House, 33 Park Row, Nottingham, NG1 6EE, are available from Companies House. This is the only group that the company is consolidated into for the year.

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.