

Company registration number 02068130 (England and Wales)

**Mediline Group Services Limited**  
**Annual Report and Financial Statements**  
**For The Period Ended 28 July 2023**

**MEDILINE GROUP SERVICES LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	D Irozuru	(Appointed 28 July 2023)
	C P Hartshorne	(Appointed 28 July 2023)
<b>Company number</b>	02068130	
<b>Registered office</b>	239 Kensington High Street London United Kingdom W8 6SN	
<b>Auditor</b>	Azets Audit Services Floor 1, Capital House 8 Pittman Court, Pittman Way Fulwood Preston Lancashire United Kingdom PR2 9ZG	

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# **MEDILINE GROUP SERVICES LIMITED**

## **CONTENTS**

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	<b>Page</b>
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 24

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# MEDILINE GROUP SERVICES LIMITED

## STRATEGIC REPORT

**FOR THE PERIOD ENDED 28 JULY 2023**

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The directors present the strategic report for the period ended 28 July 2023.

### Review of the business

The principal activity of the company during the period was to provide central support to its operating subsidiary, Mediline Supported Living Limited which specialises in providing care for working age adults with learning disabilities. The central support is by way of providing board strategy, the provision of a centralised finance, banking, property management, quality assurance, I.T. and payroll.

Performance for the period was in line with expectations with its investment property revenues keeping track with inflation where lease agreement rentals are intrinsically linked to C.P.I. for annual rent reviews.

### Key performance indicators

The directors regard key financial performance indicators of the company as those that communicate the financial performance and strength of the company as a whole: these being revenue, operating profit, and retained earnings.

	2023	2022
	£	£
Revenue	1,053,199	806,898
Operating profit	30,965	301,462
Equity	2,993,665	2,678,591

The results in the above table are not directly comparable as the company extended year end from 31 March 2023 to 28 July 2023.

The company derives its income from investment properties and management charges with the strategic objective being to remain profitable and have distributable reserves which can be evaluated by the KPI data.

The directors are pleased with the overall results and credit must be given to all employees for their efforts.

### Position at the end of the year

The company has a net current assets ratio of 0.27 compared to 0.73 in the previous year.

# MEDILINE GROUP SERVICES LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE PERIOD ENDED 28 JULY 2023**

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### **Principal risks and uncertainties**

Risks within the company are identified and assessed against Medline'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.

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 within them.

### ***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.

### ***Maintaining financial sustainability***

If we don't generate sufficient net income, we may be unable to operate. Commissioning authorities need to recognise the current impact of inflation on fee levels and transition towards paying fees to facilitate paying support staff the Real Living Wage. We have effective budgeting and forecasting processes in place for this to be monitored.

### ***People and capacity***

We need to attract, develop and retain talented staff in a competitive labour market which has been impacted adversely by Brexit and, more recently, the coronavirus pandemic. We regularly review our recruitment processes. We embed our values during appraisal and training.

### ***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 learning disability. We regularly review our governance structures and performance. We have processes in place to lead strategic change and we have the systems infrastructure in place to measure the impact that we make.

### ***Strategy***

The primary area of activity of the group was the provision of care services in residential houses and community facilities. The key drivers for the continued success of the company is the high level of effort from our staff coupled with the continued focus on the provision of high quality care and support services through its Supported Living company in conjunction with prudent financial controls and corporate management.

These drivers support the delivery of the organisations objective of achieving customer satisfaction and developing future opportunities for the group.

On behalf of the board

D Irozuru  
**Director**

24 April 2024

# MEDILINE GROUP SERVICES LIMITED

## DIRECTORS' REPORT

**FOR THE PERIOD ENDED 28 JULY 2023**

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The directors present their annual report and financial statements for the period ended 28 July 2023.

### Principal activities

The principal activity of the company continued to be that 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 company.

### Results and dividends

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

Ordinary dividends were paid amounting to £3,500,000. The directors do not recommend payment of a further dividend.

### Directors

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

D Irozuru	(Appointed 28 July 2023)
C P Hartshorne	(Appointed 28 July 2023)
P C Cook	(Resigned 28 July 2023)
M W Baines	(Resigned 28 July 2023)

### Financial instruments

The financial risks faced by the company are:

### Liquidity risk

The company is reliant on group companies to provide liquidity support.

### Statement of directors' responsibilities

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 company and of the profit or loss of the company 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;
- 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of:

- Principal risks and uncertainties of the company

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## **MEDILINE GROUP SERVICES LIMITED**

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

***FOR THE PERIOD ENDED 28 JULY 2023***

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#### **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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board

D Irozuru

**Director**

24 April 2024

# MEDILINE GROUP SERVICES LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MEDILINE GROUP SERVICES LIMITED

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#### Opinion

We have audited the financial statements of Mediline Group Services Limited (the 'company') for the period ended 28 July 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 28 July 2023 and of its profit for the period 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- the information given in the strategic report and the directors' report for the financial period 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.



## **MEDILINE GROUP SERVICES LIMITED**

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

#### **TO THE MEMBERS OF MEDILINE GROUP SERVICES LIMITED**

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##### **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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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 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 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 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **MEDILINE GROUP SERVICES LIMITED**

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

#### **TO THE MEMBERS OF MEDILINE GROUP SERVICES LIMITED**

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##### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

##### **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 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.

**Julie Flintoff BA(Hons) FCA**  
**Senior Statutory Auditor**  
**For and on behalf of Azets Audit Services**

25 April 2024

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

Floor 1, Capital House  
8 Pittman Court, Pittman Way  
Fulwood  
Preston  
Lancashire  
United Kingdom  
PR2 9ZG

# MEDILINE GROUP SERVICES LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 28 JULY 2023

		Period ended 28 July 2023	Year ended 31 March 2022 as restated
	Notes	£	£
Turnover	4	1,053,499	806,898
Administrative expenses		(1,022,534)	(505,436)
<b>Operating profit</b>	<b>5</b>	<b>30,965</b>	<b>301,462</b>
Interest receivable and similar income	7	3,575,577	614
Other gains and losses	8	365,000	-
<b>Profit before taxation</b>		<b>3,971,542</b>	<b>302,076</b>
Tax on profit	9	(156,468)	(61,101)
<b>Profit for the financial period</b>		<b>3,815,074</b>	<b>240,975</b>

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

# MEDILINE GROUP SERVICES LIMITED

## BALANCE SHEET

AS AT 28 JULY 2023

		28 July 2023		31 March 2022 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		803,036		786,296
Investment property	12		3,650,000		3,285,000
Investments	13		170		100
			<u>4,453,206</u>		<u>4,071,396</u>
<b>Current assets</b>					
Debtors	15	80,829		115,034	
Cash at bank and in hand		398,038		3,602,261	
			<u>478,867</u>		<u>3,717,295</u>
<b>Creditors: amounts falling due within one year</b>	16	(1,806,581)		(5,110,100)	
<b>Net current liabilities</b>			<u>(1,327,714)</u>		<u>(1,392,805)</u>
<b>Total assets less current liabilities</b>			<u>3,125,492</u>		<u>2,678,591</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	17	131,827		-	
			<u>(131,827)</u>		<u>-</u>
<b>Net assets</b>			<u>2,993,665</u>		<u>2,678,591</u>
<b>Capital and reserves</b>					
Called up share capital	19		40,000		40,000
Capital redemption reserve			20,000		20,000
Other reserves			852,166		634,900
Profit and loss reserves			2,081,499		1,983,691
<b>Total equity</b>			<u>2,993,665</u>		<u>2,678,591</u>

The financial statements were approved by the board of directors and authorised for issue on 24 April 2024 and are signed on its behalf by:

D Irozuru  
Director

Company Registration No. 02068130

# MEDILINE GROUP SERVICES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 28 JULY 2023

	Notes	Share capital £	Capital redemption reserve £	Fair value reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2021 - As restated</b>		40,000	20,000	634,900	1,742,716	2,437,616
<b>Year ended 31 March 2022</b>						
Profit and total comprehensive income for the year		-	-	-	240,975	240,975
<b>Balance at 31 March 2022 - As restated</b>		40,000	20,000	634,900	1,983,691	2,678,591
<b>Period ended 28 July 2023:</b>						
Profit and total comprehensive income for the period		-	-	-	3,815,074	3,815,074
Dividends	10	-	-	-	(3,500,000)	(3,500,000)
Transfers		-	-	217,266	(217,266)	-
<b>Balance at 28 July 2023</b>		40,000	20,000	852,166	2,081,499	2,993,665

# MEDILINE GROUP SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 28 JULY 2023

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### 1 Accounting policies

#### Company information

Mediline Group Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is 239 Kensington High Street, Office 103, London, W8 6SN. The principal place of business is Bechers House, Charnock Road, Liverpool, L9 6AW.

#### 1.1 Reporting period

The company has extended the year end from 31 March 2023 to 28 July 2023. The period was extended to better suit the business due to an acquisition. As a result, comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

#### 1.2 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 investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This 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:

- 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: Interest income/expense and net gains/losses for financial instruments not measured at fair value; 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.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

The financial statements of the company are consolidated in the financial statements of Birch Faraday Capital Limited. These consolidated financial statements are available from its registered office, 239 Kensington High Street, Office 103, London, W8 6SN.

#### 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, despite net current liabilities of £1,327,714. The company has group loans of £1,575,770 within current liabilities. The company expects group companies to continue to provide support. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

# MEDILINE GROUP SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 JULY 2023

### 1 Accounting policies

(Continued)

#### 1.4 Turnover

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

Rents receivable under operating leases are included in the Income Statement on a straight line basis over the term of the lease.

#### 1.5 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% Straight Line
Leasehold land and buildings	2% Straight Line
Fixtures and fittings	20-50% Straight Line

Freehold land is not depreciated. 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 credited or charged to profit or loss.

#### 1.6 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

#### 1.7 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

#### 1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

# MEDILINE GROUP SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 JULY 2023

### 1 Accounting policies

(Continued)

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.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 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 balance sheet 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.



# MEDILINE GROUP SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 JULY 2023

### 1 Accounting policies

(Continued)

#### **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, loans from fellow group companies, 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.

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

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

### 1.11 Equity instruments

Equity instruments issued by the company 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 company.

### 1.12 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 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 relate to taxes levied by the same tax authority.

## MEDILINE GROUP SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 JULY 2023

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#### 1 Accounting policies

(Continued)

##### 1.13 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.

##### 1.14 Retirement benefits

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

##### 1.15 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 leases asset are consumed.

#### 2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

##### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### *Fair value of investment properties*

In determining the fair value of investment property the company uses an open market value basis by reference to market evidence of transaction prices for similar properties, as provided by its appointed independent valuer and Directors. The Directors are of the opinion that the investment property is being held at fair value at 28 July 2023.

# MEDILINE GROUP SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 JULY 2023

### 3 Prior year adjustment

A prior year adjustment has been made to the financial statements. The prior year adjustment relates to the reclassification of leasehold and freehold properties to investment property.

Freehold property with a cost of £1,539,796 and accumulated depreciation of £520,989 (including £30,796 of depreciation charged in the year) was reclassified to investment property.

Leasehold property with a cost of £163,100 and accumulated depreciation of £70,983 (including £3,262 of depreciation charged in the year) was reclassified to investment property.

The property valuations were adjusted to reflected fair value, increasing the value by £547,104. This was split between the fair value reserve of £634,900 and retained earnings by £(87,796). The revaluation reserve of £87,811 related entirely to these properties as this was transferred to retained earnings.

The prior year adjustment has impacted on the primary statements as follows:

	2022	As restated 2022	
<b>Statement of Comprehensive Income</b>			
Administrative costs	539,494	505,436	
Operating profit	267,404	301,462	
Profit before tax	268,018	302,076	
Profit after tax	206,917	240,975	
<b>Balance Sheet</b>			
Tangible assets	1,897,220	786,296	
Investment property	1,035,000	3,285,000	
Net assets	1,539,515	2,678,591	
<b>Statement of Changes in Equity</b>			
Retained earnings	1,391,704	1,983,691	
Revaluation reserve	87,811	0	
4 <b>Turnover and other revenue</b>	0	634,900	
Fair value reserve		2023	2022
		£	£
<b>Turnover analysed by class of business</b>			
Rental income		428,487	288,222
Management charges		625,012	518,676
		<u>1,053,499</u>	<u>806,898</u>
		2023	2022
		£	£
<b>Other revenue</b>			
Interest income		75,577	614
Dividends received		3,500,000	-
		<u>3,575,577</u>	<u>614</u>

# MEDILINE GROUP SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 JULY 2023

### 5 Operating profit

	2023	2022 as restated
	£	£
Operating profit for the period is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	9,000	8,043
Depreciation of owned tangible fixed assets	31,085	28,929
Loss on disposal of tangible fixed assets	1	-
Operating lease charges	5,001	3,547
	<u>          </u>	<u>          </u>

### 6 Employees

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

	2023 Number	2022 Number
Directors and management	2	2
Administration	3	4
	<u>          </u>	<u>          </u>
Total	5	6
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	220,777	193,715
Social security costs	22,379	18,599
Pension costs	12,841	8,960
	<u>          </u>	<u>          </u>
	255,997	221,274
	<u>          </u>	<u>          </u>

### 7 Interest receivable and similar income

	2023 £	2022 £
<b>Interest income</b>		
Interest on bank deposits	75,344	614
Other interest income	233	-
	<u>          </u>	<u>          </u>
Total interest revenue	75,577	614
<b>Income from fixed asset investments</b>		
Income from shares in group undertakings	3,500,000	-
	<u>          </u>	<u>          </u>
Total income	3,575,577	614
	<u>          </u>	<u>          </u>

# MEDILINE GROUP SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 JULY 2023

### 8 Other gains and losses

	2023 £	2022 £
Changes in the fair value of investment properties	365,000	-

### 9 Taxation

	2023 £	2022 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	17,972	61,846
Adjustments in respect of prior periods	222	-
Total current tax	18,194	61,846
<b>Deferred tax</b>		
Origination and reversal of timing differences	138,274	1,056
Changes in tax rates	-	(1,801)
Total deferred tax	138,274	(745)
Total tax charge	156,468	61,101

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

	2023 £	2022 as restated £
Profit before taxation	3,971,542	302,076
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2022: 19.00%)	992,886	57,394
Tax effect of expenses that are not deductible in determining taxable profit	36,879	(63)
Effect of change in corporation tax rate	(5,675)	(1,547)
Depreciation on assets not qualifying for tax allowances	7,564	5,317
Deferred tax adjustments in respect of prior years	(109)	-
Dividend income	(875,000)	-
Effect of superdeduction	(77)	-
Taxation charge for the period	156,468	61,101

# MEDILINE GROUP SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 JULY 2023

### 10 Dividends

	2023 £	2022 £
Final paid	3,500,000	-

### 11 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Fixtures and fittings	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2022	448,974	702,650	43,566	1,195,190
Additions	-	-	47,826	47,826
Disposals	-	-	(35,143)	(35,143)
At 28 July 2023	448,974	702,650	56,249	1,207,873
<b>Depreciation and impairment</b>				
At 1 April 2022	120,404	245,947	42,543	408,894
Depreciation charged in the period	11,652	18,603	830	31,085
Eliminated in respect of disposals	-	-	(35,142)	(35,142)
At 28 July 2023	132,056	264,550	8,231	404,837
<b>Carrying amount</b>				
At 28 July 2023	316,918	438,100	48,018	803,036
At 31 March 2022	328,570	456,703	1,023	786,296

Freehold land and buildings with a carrying amount of £803,036 (2022: £786,296) have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

# MEDILINE GROUP SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 JULY 2023

### 12 Investment property

	2023 £
<b>Fair value</b>	
At 1 April 2022 - As restated	3,285,000
Net gains or losses through fair value adjustments	365,000
	<hr/>
At 28 July 2023	3,650,000
	<hr/> <hr/>

The fair value of investment property has been arrived at on the basis of a valuation carried out in March 2023 by WT Gunson, professional valuers regulated by RICS, who are not connected with this company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The directors consider this valuation to reflect the fair value as at 28 July 2023.

Investment properties with a carrying amount of £3,650,000 (2022: £3,285,000) have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

### 13 Fixed asset investments

	Notes	2023 £	2022 £
Investments in subsidiaries	14	170	100
		<hr/> <hr/>	<hr/> <hr/>

#### Movements in fixed asset investments

	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 April 2022	100
Additions	70
	<hr/>
At 28 July 2023	170
	<hr/>
<b>Carrying amount</b>	
At 28 July 2023	170
	<hr/> <hr/>
At 31 March 2022	100
	<hr/> <hr/>

## MEDILINE GROUP SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 JULY 2023

#### 14 Subsidiaries

These financial statements present information about the company as an individual entity.

The company has a wholly owned subsidiary, Mediline Supported Living Limited.

Mediline Group Services Limited is not required to prepare consolidated accounts as they are both members of a group where the parent company prepares consolidated accounts.

Details of the company's subsidiary at 28 July 2023 is as follows:

Country of incorporation - England and Wales

Nature of business - Services to the care of persons with learning difficulties

Class of shareholding - Ordinary

The aggregate capital and reserves and the results for the year of Mediline Supported Living Limited were as follows:

Profit - £1,816,347

Capital and reserves - £2,736,600

#### 15 Debtors

	2023	2022
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	15,064	12,530
Corporation tax recoverable	-	93,725
Other debtors	1,060	150
Prepayments and accrued income	64,705	2,182
	<u>80,829</u>	<u>108,587</u>
	<u>80,829</u>	<u>108,587</u>
<b>Amounts falling due after more than one year:</b>		
	£	£
Deferred tax asset (note 17)	-	6,447
	<u>-</u>	<u>6,447</u>
<b>Total debtors</b>	<u>80,829</u>	<u>115,034</u>



# MEDILINE GROUP SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 JULY 2023

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

	2023 £	2022 £
Trade creditors	71,422	20,747
Amounts owed to group undertakings	1,575,770	4,982,054
Corporation tax	17,961	61,846
Other taxation and social security	3,574	1,267
Other creditors	31,331	24,687
Accruals and deferred income	106,523	19,499
	<u>1,806,581</u>	<u>5,110,100</u>

### 17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023 £	Liabilities 2022 £	Assets 2023 £	Assets 2022 £
<b>Balances:</b>				
Accelerated capital allowances	6,660	-	-	6,447
Retirement benefit obligations	(124)	-	-	-
Investment property	125,291	-	-	-
	<u>131,827</u>	<u>-</u>	<u>-</u>	<u>6,447</u>
<b>Movements in the period:</b>				2023 £
Asset at 1 April 2022				(6,447)
Charge to profit or loss				138,274
Liability at 28 July 2023				<u>131,827</u>

### 18 Retirement benefit schemes

	2023 £	2022 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	12,841	8,960
	<u>12,841</u>	<u>8,960</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Included within Other Creditors are contributions totalling £1,133 (2022: £949) payable to the fund at the period end.

# MEDILINE GROUP SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 JULY 2023

### 19 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	40,000	40,000	40,000	40,000

### 20 Financial commitments, guarantees and contingent liabilities

The company has provided a debenture to Peter Cook Limited on behalf of any monies due to this company. The debenture contains a legal mortgage over all properties classified as both fixed assets and investment property. The debenture also contains a fixed and floating charge over all assets of the company.

The amount due to Peter Cook Limited at 28 July 2023 in respect of this guarantee was £3,353,926 (2022: £Nil). This liability is recognised exclusively in Birch Faraday Capital Limited.

### 21 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	42,500	42,959
Between two and five years	57,170	71,177
	<u>99,670</u>	<u>114,136</u>

#### Lessor

The operating leases represent leases to third parties. The leases are negotiated over terms of 21 to 25 years. All leases include a provision for five-yearly upward rent reviews according to prevailing market conditions.

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2023	2022
	£	£
Within one year	129,440	114,883
Between two and five years	517,765	466,682
In over five years	857,890	968,270
	<u>1,505,095</u>	<u>1,549,835</u>

## **MEDILINE GROUP SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE PERIOD ENDED 28 JULY 2023***

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#### **22 Related party transactions**

During the period the company received a loan from a related company totalling £1,575,770 (2022: £4,982,054). The unsecured loan is interest free and repayable on demand.

During the period the company received a dividend from a related company totalling £3,500,000 (2022: £Nil).

During the period the company received management charges from a related company totalling £625,011 (£518,676).

During the period the company received rent from a related company totalling £92,351 (£68,000).

#### **23 Ultimate controlling party**

In the directors' opinion the company's ultimate parent company is Birch Faraday Capital Limited, a company incorporated in the UK. Copies of the accounts for Birch Faraday Capital Limited can be obtained from its registered office address: 239 Kensington High Street, Office 103, London, W8 6SN.

Birch Faraday Capital Limited is the only member of the group to prepare consolidated accounts.

The company is under the ultimate control of Darnell Irozuru, director and majority shareholder of Birch Faraday Capital Limited.

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