

REGISTRAR

Company Registration No. 02077889 (England and Wales)

MALVIRT LIMITED

DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

PAGES FOR FILING WITH REGISTRAR



**John Cumming Ross Limited
Chartered Certified Accountants
1st Floor, Kirkland House
11-15 Peterborough Road
Harrow
Middlesex
HA1 2AX**

MALVIRT LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | Mr K Patel Mr K B Patel |
| Secretary | Mr K B Patel |
| Company number | 02077889 |
| Registered office | 66 Talbot Crescent London NW4 4HP |
| Accountants | John Cumming Ross Limited. Chartered Certified Accountants 1st Floor, Kirkland House 11-15 Peterborough Road Harrow Middlesex HA1 2AX |

MALVIRT LIMITED

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MALVIRT LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF MALVIRT LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The following reproduces text of the Accountants' Report prepared in respect of the company's annual unaudited financial statements, from which the unaudited financial statements set out on pages 2 to 9 have been extracted.

"In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Malvirt Limited for the year ended 31 March 2018 set out on pages 3 to 11 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <http://www.accaglobal.com/gb/en/member/professional-standards/rules-standards/acca-rulebook.html>.

Our work has been undertaken solely to prepare for your approval the financial statements of Malvirt Limited and state those matters that we have agreed to state to the Board of Directors of Malvirt Limited, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at http://www.accaglobal.com/content/dam/ACCA_Global/Technical/fact/technical-factsheet-163.pdf. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Malvirt Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Malvirt Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Malvirt Limited. You consider that Malvirt Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Malvirt Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



John Cumming Ross Limited
Chartered Certified Accountants
1st Floor, Kirkland House
11-15 Peterborough Road
Harrow
Middlesex
HA1 2AX
31/12/18

MALVIRT LIMITED

BALANCE SHEET

AS AT 31 MARCH 2018

| | Notes | 2018 £ | £ | 2017 £ | £ |
|--|-------|---------------|-----------------------|----------------|-----------------------|
| Fixed assets | | | | | |
| Intangible assets | 3 | | 1 | | 1 |
| Tangible assets | 4 | | 1,297,093 | | 1,319,283 |
| | | | <u>1,297,094</u> | | <u>1,319,284</u> |
| Current assets | | | | | |
| Debtors | 5 | 36,685 | | 53,420 | |
| Cash at bank and in hand | | 33,196 | | 79,675 | |
| | | <u>69,881</u> | | <u>133,095</u> | |
| Creditors: amounts falling due within one year | 6 | (49,177) | | (172,187) | |
| Net current assets/(liabilities) | | | <u>20,704</u> | | <u>(39,092)</u> |
| Total assets less current liabilities | | | <u>1,317,798</u> | | <u>1,280,192</u> |
| Creditors: amounts falling due after more than one year | 7 | | (901,782) | | (871,407) |
| Net assets | | | <u><u>416,016</u></u> | | <u><u>408,785</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 11 | 50,000 | | 50,000 | |
| Profit and loss reserves | | 366,016 | | 358,785 | |
| Total equity | | | <u><u>416,016</u></u> | | <u><u>408,785</u></u> |

The directors of the company have taken advantage under section 444 of the Companies Act 2006 to not deliver the profit and loss account and the directors' report within the financial statements.

For the financial year ended 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

MALVIRT LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2018

The financial statements were approved by the board of directors and authorised for issue on 31/12/2018
and are signed on its behalf by:



.....
Mr K B Patel
Director

Company Registration No. 02077889

MALVIRT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

Malvirt Limited is a private company limited by shares incorporated in England and Wales. The registered office is 66 Talbot Crescent, London, NW4 4HP.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

1.2 Turnover

Turnover is recognised at the value of the consideration received or receivable for services provided in operating of the care home.

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

1.4 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 properties | 0% p.a. on straight line basis |
| Fixtures, fittings & equipment | 15% p.a. on straight line basis |
| Motor vehicles | 25% p.a. on straight line basis |

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.

1.5 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors, trade and other creditors and loans from banks and shareholders.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

1.6 Taxation

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

MALVIRT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

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.

1.7 Employee benefits

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

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

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

1.8 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 22 (2017 - 28).

MALVIRT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

3 Intangible fixed assets

| | Goodwill £ |
|------------------------------------|---------------|
| Cost | |
| At 1 April 2017 and 31 March 2018 | 52,500 |
| Amortisation and impairment | |
| At 1 April 2017 and 31 March 2018 | 52,499 |
| Carrying amount | |
| At 31 March 2018 | 1 |
| At 31 March 2017 | 1 |

4 Tangible fixed assets

| | Land and buildings £ | Plant and machinery etc £ | Total £ |
|------------------------------------|----------------------------|------------------------------------|------------|
| Cost | | | |
| At 1 April 2017 and 31 March 2018 | 1,253,088 | 115,145 | 1,368,233 |
| Depreciation and impairment | | | |
| At 1 April 2017 | - | 48,950 | 48,950 |
| Depreciation charged in the year | - | 22,190 | 22,190 |
| At 31 March 2018 | - | 71,140 | 71,140 |
| Carrying amount | | | |
| At 31 March 2018 | 1,253,088 | 44,005 | 1,297,093 |
| At 31 March 2017 | 1,253,088 | 66,195 | 1,319,283 |

5 Debtors

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 8,431 | 3,311 |
| Amounts owed by group undertakings | 12,209 | - |
| Other debtors | - | 32,769 |
| | 20,640 | 36,080 |
| Deferred tax asset (note 10) | 16,045 | 17,340 |
| | 36,685 | 53,420 |

MALVIRT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

6 Creditors: amounts falling due within one year

| | 2018 £ | 2017 £ |
|------------------------------------|---------------|----------------|
| Bank loans and overdrafts | 14,238 | 144,699 |
| Corporation tax | - | 60 |
| Other taxation and social security | 8,564 | 7,161 |
| Other creditors | 26,375 | 20,267 |
| | <u>49,177</u> | <u>172,187</u> |

7 Creditors: amounts falling due after more than one year

| | 2018 £ | 2017 £ |
|---------------------------|----------------|----------------|
| Bank loans and overdrafts | 279,206 | - |
| Other creditors | 622,576 | 871,407 |
| | <u>901,782</u> | <u>871,407</u> |

Creditors which fall due after five years are as follows:

| | 2018 £ | 2017 £ |
|------------------------|----------------|-----------|
| Payable by instalments | 216,293 | - |
| | <u>216,293</u> | <u>-</u> |

8 Loans and overdrafts

| | 2018 £ | 2017 £ |
|-------------------------|----------------|----------------|
| Bank loans | 293,444 | 144,699 |
| Other loans | 586,026 | 825,289 |
| | <u>879,470</u> | <u>969,988</u> |
| Payable within one year | 14,238 | 144,699 |
| Payable after one year | 865,232 | 825,289 |
| | <u>879,470</u> | <u>969,988</u> |

The total amount of creditors for which security has been provided amounted to £339,562 (2017: £200,385). Bank loans are secured against the freehold property at Birchwood House Rest Home, Stockland Green Road, Speldhurst, Kent, TN3 0TU and a cross guarantee provided by Birchwood Care Services Limited, a fellow subsidiary. Hire purchase creditor is secured against the motor vehicle.

MALVIRT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

9 Finance lease obligations

| | 2018 | 2017 |
|---|---------------|---------------|
| | £ | £ |
| Future minimum lease payments due under finance leases: | | |
| Within one year | 9,568 | 9,568 |
| In two to five years | 36,550 | 46,118 |
| | <u>46,118</u> | <u>55,686</u> |

10 Deferred taxation

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

| | Assets 2018 | Assets 2017 |
|------------------------------------|----------------|-----------------|
| | £ | £ |
| Balances: | | |
| Accelerated capital allowances | 15,937 | 14,778 |
| Tax losses | 108 | 2,562 |
| | <u>16,045</u> | <u>17,340</u> |
| | | 2018 |
| Movements in the year: | | £ |
| Liability/(Asset) at 1 April 2017 | | (17,340) |
| Charge to profit or loss | | 1,295 |
| Liability/(Asset) at 31 March 2018 | | <u>(16,045)</u> |

11 Called up share capital

| | 2018 | 2017 |
|-----------------------------------|---------------|---------------|
| | £ | £ |
| Ordinary share capital | | |
| Issued and fully paid | | |
| 50,000 Ordinary shares of £1 each | 50,000 | 50,000 |
| | <u>50,000</u> | <u>50,000</u> |

12 Reserves

The only movement in reserves for the year are profit for the year. In the prior year the only movements in reserves are profit for the year and dividends paid.

MALVIRT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

13 Related party transactions

During the year management fees paid to Birchwood Care Services Limited, a fellow subsidiary for the year was £28,800 and as at 31 March 2018 amount due from them was £12,209.

14 Directors' transactions

Dividends totalling £0 (2017 - £10,209) were paid in the year in respect of shares held by the company's directors.

At the balance sheet date the amount due to the directors were as follows:

Mr K Patel £38,743 (2017: £98,006)

Mr K B Patel £312,000 (2017: £212,000)

15 Parent company

The company's ultimate parent undertaking at the balance sheet date was Birchwood Care Group Limited, a company registered in England and Wales.