

Company Registration No. 03064433 (England and Wales)

**MONREAD LODGE NURSING HOME LIMITED**  
**REPORT AND UNAUDITED FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 SEPTEMBER 2022**

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# **MONREAD LODGE NURSING HOME LIMITED**

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# MONREAD LODGE NURSING HOME LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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The directors present the strategic report for the year ended 30 September 2022.

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

**Note: 2021 was a 17 month period therefore comparison figures have been pro-rated on a simple average basis**

The Group headed by MMCG Holdings Limited, of which this company is a member, is a leading care home operator in the UK providing nursing and residential care to the elderly throughout the United Kingdom.

The Group strives to be the first-choice care home in every community by offering the best care and support. As a long-established provider in the social healthcare sector, the Group has a leading reputation and a recognisable brand for the provision of high-quality care in the UK.

The management of the business and the nature of the Group's strategy are subject to several risks. The markets in which the Group operates are highly competitive. As a result, there is constant pressure on margins, amplified in 2022 by UK inflation. The sector uses a significant amount of food, energy and labour all of which saw high price growth, which has further compressed industry margins. Policies of price monitoring, appropriate hedging and on-going market research are in place to mitigate such risks. The directors are of the opinion that the risk management process adopted which involves the review, monitoring and where possible the mitigation of the risks identified is appropriate to the business.

The key financial and operational performance indicators monitored by management include internal quality ratings, regulatory inspections, occupancy percentage, average weekly fees, staff cost percentage, sickness hours, agency hours and costs per resident per week. Providers of Health and Social care continue to face significant increases to costs, particularly as a result of the increases in National Living Wage and the current levels of inflation and bank of England interest rates.

Recruitment and retention of competent and qualified personnel in the Group remains challenging, however investment in centralising recruitment has increased the groups headcount in year and through an enhanced range of staff benefits and dedicated training programmes, staff turnover levels have fallen to well below industry averages. In turn, this has reduced the groups reliance on agency staff. The Group continues to invest in significant resources to ensure the training and development of our workforce.

Cash pressure in the sector as a whole has increased in the last 18 months due to both covid and inflationary pressures, but also due to structural changes within public funding bodies. The Group has managed well throughout these challenges but the risk of continued sluggish cash income from government bodies remains.

The Group's strategy is one of continued growth through new developments, the extension of existing facilities, disposal of unprofitable assets and, where appropriate, through the acquisition of nursing homes of a suitable quality. The Group is focused on increasing its share of the private market and profitable NHS contracts.

#### **Financial results**

Total turnover increased when pro-rated for the 17 month reporting period in the prior year by £0.3m (15.8%) to £2.2m in this financial year (2021: £1.9m pro-rated for 12 months).

Operating loss from continuing operations increases pro-rated by £0.4m to a loss of £0.7m (2021: loss of £0.3m pro-rated for 12 months).

Net assets for the Company have reduced £0.7m in year to £4.5m (2021: £5.2m).

# **MONREAD LODGE NURSING HOME LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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#### **Going concern**

The Group headed by MMCG Holdings Limited, of which this company is a member, manages its treasury functions on a group wide basis.

The directors have prepared forecasts which include prudent assumptions but are largely based around growth already achieved. The forecasts demonstrate that the Group has sufficient cash reserves and available credit facilities to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements.

With recent occupancy levels exceeding pre pandemic levels at 89%, the Group have prepared forecasts with the expectation the Group will reach 90% occupancy levels in the Summer of 2023.

The directors regard this assumption to be prudent and reasonable in light of industry published forecasts for occupancy recovery.

As such, the directors are satisfied that the Group has adequate resources to continue to operate for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing the financial statements.

#### **Risk management objectives and policies**

The wider Group uses various financial instruments, which include loans, cash and leases, as well as various items that arise directly from its operations, including trade debtors and trade creditors. The existence of these financial instruments exposes the Group to several financial risks, which are described in more detail below.

#### **Credit risk**

The Company's principal financial assets are bank balances and trade receivables. The Company's credit risk is primarily attributable to its trade receivables. It minimises its exposure to such risk by ensuring that no more than 10% of its turnover is with one single organisation or client. The directors review aged debt on a monthly basis.

#### **Interest rate risk**

The wider Group finances its operations through a mixture of retained profits, leased assets and external loans. The directors review interest rate movements on a regular basis to determine whether it is appropriate to purchase variable or fixed rate hedging instruments.

#### **Reputational risk**

The Group provides care to elderly people both on a short-term and long-term basis. Any serious breach in the standard of care provided could result in negative publicity and increased scrutiny from regulators, residents and families.

To mitigate this risk, the Group devotes a considerable amount of time to delivering comprehensive and mandatory clinical training to employees. All employees are checked via the Disclosure and Barring Service prior to being offered employment.

#### **Regulatory risk**

The Group's operations are subject to a high level of regulation by various regulators in the UK. Inspections at our care homes are frequent and primarily unannounced. The results of such inspections are crucial in determining the operational capability of a home and compliance with regulatory standards. Failure to comply with the appropriate standards set down by the regulators can result in either temporary, or in the worst case scenario permanent closure.

To mitigate this risk, the wider Group has invested significantly in quality and compliance personnel who regularly visit the homes to ensure that the appropriate standards of care are being delivered. The directors regularly review the effectiveness of this function to identify areas for potential improvement as well as any changes that may be required to better comply with regulatory standards.

# MONREAD LODGE NURSING HOME LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022


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### Future developments

We aim to make sufficient profit to sustain the Company's commercial viability. This is balanced against the needs of our customers, employees, other stakeholders and the community to ensure we are conducting all our business *relations with integrity*.

The long-term sustainability and future development of the company is at the forefront of decision-making, particularly in response to the challenging conditions in the Health and Social Care sector during the recovery from the Covid-19 pandemic.

On behalf of the board



.....  
P J Burgan

Director

Date: 29/06/23  
.....

# MONREAD LODGE NURSING HOME LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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*The directors present their annual report and financial statements for the period ended 30 September 2022.*

#### **Principal activities**

The principal activity of the Company continued to be that of the provision of residential care for the elderly.

#### **Results and dividends**

The results for the year are set out on page 5.

No ordinary dividends were paid (2021 - £nil). The directors do not recommend payment of a final dividend (year to 2021 - £nil).

#### **Directors**

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

P J Burgan

J Lock

C J Womack

D R Harris

C Chapman

P Walsh

J Dinwoodie

(Resigned 8 December 2022)

(Appointed 14 January 2022)

(Appointed 14 January 2022)

(Appointed 1 March 2023)

#### **Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **Energy and carbon reporting**

The Company's greenhouse gas emissions and energy consumption for the year are disclosed within the Group accounts of Maria Mallaband Care Group Limited.

#### **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 future developments and financial risk management objectives and policies.

On behalf of the board



.....  
P J Burgan

Director

Date: 29/06/23  
.....

# MONREAD LODGE NURSING HOME LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2022

		Year ended 30 September 2022 £	Period ended 30 September 2021 £
	Notes		
<b>Turnover</b>	<b>3</b>	2,245,355	2,647,030
Cost of sales		(1,755,523)	(1,734,092)
<b>Gross profit</b>		489,832	912,938
<i>Administrative expenses</i>		(1,263,570)	(1,736,874)
Other operating income	<b>5</b>	64,600	456,877
<b>Operating loss</b>	<b>5</b>	(709,138)	(367,059)
Interest payable and similar expenses	<b>6</b>	(547)	(1,354)
<b>Loss before taxation</b>		(709,685)	(368,413)
Tax on loss	<b>7</b>	5,553	396
<b>Loss for the financial year</b>		(704,132)	(368,017)

**MONREAD LODGE NURSING HOME LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 30 SEPTEMBER 2022**

	Notes	£	2022 £	£	2021 £
<b>Fixed assets</b>					
Tangible assets	8		336,695		304,984
<b>Current assets</b>					
Stocks	9	3,000		3,000	
Debtors	10	4,576,109		5,272,945	
Cash at bank and in hand		16,002		7,239	
		4,595,111		5,283,184	
<b>Creditors: amounts falling due within one year</b>	11	(373,287)		(311,242)	
<b>Net current assets</b>			4,221,824		4,971,942
<b>Total assets less current liabilities</b>			4,558,519		5,276,926
<b>Creditors: amounts falling due after more than one year</b>	12		(14,902)		(29,177)
<b>Net assets</b>			4,543,617		5,247,749
<b>Capital and reserves</b>					
Called up share capital	16		700		700
Profit and loss reserves	17		4,542,917		5,247,049
<b>Total equity</b>			4,543,617		5,247,749


For the financial year ended 30 September 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

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.

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.

29/06/23

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

  
 .....  
 P J Burgan  
 Director



# **MONREAD LODGE NURSING HOME LIMITED**

## **STATEMENT OF CHANGES IN EQUITY** **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 May 2020</b>	700	5,615,066	5,615,766
<b>Period ended 30 September 2021:</b>			
Loss for the period	-	(368,017)	(368,017)
<b>Balance at 30 September 2021</b>	700	5,247,049	5,247,749
<b>Year ended 30 September 2022:</b>			
Loss for the year	-	(704,132)	(704,132)
<b>Balance at 30 September 2022</b>	700	4,542,917	4,543,617

# MONREAD LODGE NURSING HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 1 Accounting policies

#### Company information

Monread Lodge Nursing Home Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Westcourt, Gelderd Road, Leeds, West Yorkshire, LS12 6DB.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

#### 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. The principal accounting policies adopted are set out below.

#### Reduced disclosure exemptions

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 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Maria Mallaband Care Group Limited as at 30 September 2022. These consolidated financial statements are available from the entity's registered office, Westcourt, Gelderd Road, Leeds, West Yorkshire, LS12 6DB.

#### Going concern

The Group headed by MMCG Holdings Limited, of which this company is a member, manages its treasury functions on a group wide basis.

The directors have prepared forecasts which include prudent assumptions but are largely based around growth already achieved. The forecasts demonstrate that the Group has sufficient cash reserves and available credit facilities to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements.

With recent occupancy levels exceeding pre pandemic levels at 89%, the Group have prepared forecasts with the expectation the Group will reach 90% occupancy levels in the Summer of 2023.

The directors regard this assumption to be prudent and reasonable in light of industry published forecasts for occupancy recovery.

As such, the directors are satisfied that the Group has adequate resources to continue to operate for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing the financial statements.

# MONREAD LODGE NURSING HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 1 Accounting policies (Continued)

#### Reporting period

The financial statements are drawn up for year to 30 September 2022 ("the financial year"). Comparative figures are for the 17 month period to 30 September 2021. Therefore the previous period of account is not directly comparable.

#### Turnover

Turnover represents the value of fees accrued in respect of the residents that have occupied the care homes, excluding value added tax. Turnover is derived wholly within the United Kingdom, from the company's principle activity.

Turnover is recognised at the point at which services are supplied to residents. Where services are performed gradually over time, turnover is recognised as the activity progresses by reference to the value of the services provided.

#### Tangible fixed assets

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

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

Fixtures and fittings	5 to 10 years straight line
Office equipment	5 years straight line

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.

#### 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.

#### Stocks

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

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

# MONREAD LODGE NURSING HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 1 Accounting policies (Continued)

#### **Financial instruments**

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

Financial instruments are recognised 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 trade and other debtors, cash and bank balances, amounts owed by related parties, amounts owed by group undertakings, and accrued income, 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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

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

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

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

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

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

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, obligations under finance leases and accrued expenses, 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.

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

# MONREAD LODGE NURSING HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### 1 Accounting policies (Continued)

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

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

##### ***Equity instruments***

Equity instruments issued by the company are recorded at the fair value of 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.

##### ***Taxation***

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

##### ***Employee benefits***

The costs of short-term employee benefits are recognised as a liability and an expense.

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

##### ***Retirement benefits***

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as other creditors.

##### ***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 statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

# MONREAD LODGE NURSING HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### 1 Accounting policies (Continued)

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.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 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.*

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### ***Recoverability of intercompany and related party balances***

Determination of whether the company's intercompany and related party balances have been impaired requires estimation of the fellow group entities net asset position and its ability to generate future cashflows to settle the balance. The directors have performed a review of each intercompany and related party balance for indicators of impairment and estimated the future cashflows of the fellow group entity to determine recoverability. No provision was recorded for the year ended 30 September 2022 (2021 - £nil).

#### **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.

#### ***Useful life of assets***

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. No changes to useful economic lives or residual values have been determined necessary this year. Details of depreciation rates can be found in note 1 and the depreciation charge in note 8.

# MONREAD LODGE NURSING HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 3 Turnover

	Year ended 30 September 2022 £	Period ended 30 September 2021 £
Turnover analysed by class of business		
Provision of elderly care	2,245,355	2,647,030

All turnover arose within the United Kingdom.

### 4 Employees

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

	Year ended 30 September 2022 Number	Period ended 30 September 2021 Number
Total	50	58

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	1,771,542	1,768,172
Social security costs	109,953	127,671
Pension costs	21,374	25,232
	1,902,869	1,921,075

The above cost for wages and salaries includes amounts paid to third parties for locums of £526,578 (2021 - £332,282).

During the year, no director received any emoluments for their services to this company (2021 - £nil).

# MONREAD LODGE NURSING HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 5 Operating loss

	Year ended 30 September 2022 £	Period ended 30 September 2021 £
Operating loss for the year is stated after charging/(crediting):		
Government grants	(64,600)	(364,216)
Depreciation of owned tangible fixed assets	96,322	118,596
Depreciation of tangible fixed assets held under finance leases	1,886	2,192
Rent receivable	-	(92,661)
Operating lease charges	517,663	782,077

Government grants received relates to £44,330 (2021 - £215,729) in respect of infection control grants and £20,270 (2021 - £148,487) of other Covid-19 grant income.

### 6 Interest payable and similar expenses

	Year ended 30 September 2022 £	Period ended 30 September 2021 £
Other interest	547	1,354

### 7 Taxation

	Year ended 30 September 2022 £	Period ended 30 September 2021 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,930	1,112
Changes in tax rates	609	(1,449)
Adjustment in respect of prior periods	(8,092)	(59)
Total deferred tax	(5,553)	(396)

In the March 2021 Budget it was announced that the standard rate of corporation tax would remain at 19%, increasing to 25% from 1 April 2023.



# MONREAD LODGE NURSING HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 7 Taxation (Continued)

The total tax credit for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2022 £	2021 £
Loss before taxation	(709,685)	(368,413)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(134,840)	(69,998)
Tax effect of expenses that are not deductible in determining taxable profit	4,447	5,737
Tax effect of income not taxable in determining taxable profit	(2,506)	-
Adjustments in respect of prior years	(8,092)	(59)
Effect of change in corporation tax rate	609	(1,449)
Group relief	136,965	42,638
Super deduction	(2,136)	(1,581)
Deferred tax not provided	-	24,314
Roundings	-	2
Taxation credit for the year	(5,553)	(396)

#### 8 Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>			
At 1 October 2021	765,903	13,114	779,017
Additions	127,373	8,414	135,787
Disposals	(350,622)	-	(350,622)
At 30 September 2022	542,654	21,528	564,182
<b>Depreciation and impairment</b>			
At 1 October 2021	468,634	5,399	474,033
Depreciation charged in the year	94,703	3,505	98,208
Eliminated in respect of disposals	(344,754)	-	(344,754)
At 30 September 2022	218,583	8,904	227,487
<b>Carrying amount</b>			
At 30 September 2022	324,071	12,624	336,695
At 30 September 2021	297,269	7,715	304,984

# MONREAD LODGE NURSING HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 8 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	2022 £	2021 £
Office equipment	3,693	5,579

#### 9 Stocks

	2022 £	2021 £
Consumables	3,000	3,000

#### 10 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	117,542	72,085
Amounts owed by group undertakings	4,356,978	5,116,541
Amounts owed by related parties	4,679	23,697
Other debtors	23,830	16,743
Prepayments and accrued income	61,491	37,843
	4,564,520	5,266,909
Deferred tax asset (note 14)	11,589	6,036
	4,576,109	5,272,945

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

	Notes	2022 £	2021 £
Obligations under finance leases	13	1,116	1,117
Trade creditors		180,040	142,271
Taxation and social security		54,540	29,479
Other creditors		41,017	39,444
Accruals and deferred income		96,574	98,931
		373,287	311,242

# MONREAD LODGE NURSING HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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

	Notes	2022 £	2021 £
Obligations under finance leases	13	2,182	3,270
Accruals and deferred income		12,720	25,907
		<u>14,902</u>	<u>29,177</u>

#### 13 Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Less than one year	1,116	1,117
Between one and five years	2,182	3,270
	<u>3,298</u>	<u>4,387</u>

Obligations under finance leases are secured against the assets to which they relate.

#### 14 Deferred taxation

The major deferred tax assets recognised by the company are:

	Assets 2022 £	Assets 2021 £
<b>Balances:</b>		
Fixed asset timing differences	10,614	6,036
Short term timing differences	975	-
	<u>11,589</u>	<u>6,036</u>
<b>Movements in the year:</b>		2022 £
Asset at 1 October 2021		(6,036)
Credit to profit or loss		(5,553)
Asset at 30 September 2022		<u>(11,589)</u>

# MONREAD LODGE NURSING HOME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 15 Retirement benefit schemes

	Year ended 30 September 2022 £	Period ended 30 September 2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	21,374	25,232

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.

Contributions totalling £nil (2021 - £nil) were payable to the schemes at the end of the period and are included in other creditors.

#### 16 Share capital

	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	700	700	700	700

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

#### 17 Reserves

##### Profit and loss reserves

This represents all current and prior year profit and losses.

#### 18 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:

	2022 £	2021 £
Within one year	613,614	581,650
Between one and five years	2,579,658	2,445,281
In over five years	1,138,166	1,742,644
	<u>4,331,438</u>	<u>4,769,575</u>

Commitments under operating leases relate to one property leased to the company. The remaining lease term is 7 years.

#### 19 Related party transactions

At the year end the company was due £4,679 (2021 - £23,697) from companies outside its immediate group, with a common controlling party, in relation to amounts recharged. No interest was charged on these amounts.

# **MONREAD LODGE NURSING HOME LIMITED**

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

### **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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#### **20 Ultimate controlling party**

Mr P J Burgan is this Company's controlling related party by virtue of his majority shareholding in Burgan Family Holdings Limited.

MMCG Topco Holdings Ltd, a company registered in England and Wales is the ultimate parent company. This is the parent of the largest group for which consolidated accounts including Monread Lodge Nursing Home Limited are prepared. The consolidated accounts of MMCG Topco Holdings Ltd can be obtained from the entity's registered office, Westcourt, Gelderd Road, Leeds, West Yorkshire, LS12 6DB.

Maria Mallaband Care Group Limited, a company incorporated in Great Britain and registered in England and Wales, is the parent of the smallest group for which consolidated accounts are drawn up. Copies of these financial statements may be obtained from the entity's registered office, Westcourt, Gelderd Road, Leeds, West Yorkshire, LS12 6DB.