REGISTERED NUMBER: 10721304 (England and Wales)

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements for the Year Ended 31 March 2022

for

Minster Care Group Limited

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Company Information
for the Year Ended 31 March 2022

DIRECTORS:	J N Alflatt M S Patel C Farebrother P Nicholls M Lingens
SECRETARY:	J N Alflatt
REGISTERED OFFICE:	238 Station Road Addlestone Surrey KT15 2PS
REGISTERED NUMBER:	10721304 (England and Wales)
AUDITORS:	CLA Evelyn Partners Limited (Formerly Nexia Smith & Williamson) Chartered Accountants & Statutory Auditor 45 Gresham Street London EC2V 7BG

The directors present their strategic report of the company and the group for the year ended 31 March 2022.

PRINCIPAL ACTIVITY
The principal activity of the group is the operation of care homes for the elderly.

REVIEW OF BUSINESS
The Group and its subsidiaries operate 68 care homes for older people in England, Wales and Scotland, providing more than 3,300 beds.

The group has, for a second year, faced the challenges of the Covid 19 pandemic and is proud of the valuable contribution of all staff team members whose unwavering commitment to supporting our residents has been remarkable, particularly in the light of continually evolving government guidance.

These financial statements report the trading of the Minster Care Group for the year to 31 March 2022 with comparatives provided for the year to 31 March 2021. Turnover for the year amounted to £105.3m compared to £97.2m for the previous year. When excluding turnover from entities acquired in the year, like for like turnover increased by 7% as occupancy levels began to rise following the improving situation in respect of the Covid 19 pandemic.

The Group has continued to build on its strong relationships with Local Authority and Clinical Commissioning Group partners in responding to the pandemic. The group qualified for and received a range of government grants to support its response to the covid 19 pandemic.

During the year the Group took on a new lease for an 83 bed care home in Cornwall and opened a new 46 bed unit on an existing site in Oxfordshire.

The group achieved a net pre-tax profit of £6.07m (2021 - £2.95m) after recognising depreciation and amortisation costs of just over £2.95m (2021 - £2.4m) and after recognising preference share dividends of £480,454 (2021 - £493,410) and interest of £375,618 (2021 - £364,121).

After adjusting for these items, the group achieved an EBITDA of £9.861m (2021 - £6.297m).

FUTURE PROSPECTS
Despite a challenging year due to the pandemic, the group remains focussed on its key performance indicators and on minimising the effects of Covid 19. The group's strategy is one of managed growth through appropriate acquisitions that fit with its business model, as well as extending existing facilities.

PRINCIPAL RISKS AND UNCERTAINTIES AND KEY PERFORMANCE INDICATORS
The group's operations expose it to a variety of risks. The group has in place a risk management programme that analyses and monitors exposure to these risks using Key Performance Indicators (KPI's).

The group uses a range of key performance indicators, both financial and non financial, to monitor its business. Monthly dashboard reporting includes consideration of occupancy levels (including numbers admitted and discharged), ratios of self pay clients and government funded clients, average fees, staff cost percentages and other costs per bed as well as a range of operational compliance measures on a home by home basis.

Price risk

The group is exposed to supplier and labour price risk as a result of its operations. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring and reviewing the suppliers' prices on a regular basis. In addition, the group has a well organised operational structure to ensure that labour is employed as effectively as possible. The group has no exposure to equity securities price risk as it holds no listed equity investments. The group's rental commitments are structured to increase in line with the Retail Prices Index, subject to a 4% cap and a 2% floor.

KPI's used:
EBITDA and profit margins
Cost per capita for key spending categories

We have measured the performance of these KPIs against our forecasts and past experience and are pleased with overall performance whilst recognising there is room for improvement in some areas of the business.

Credit risk

The group contracts with publicly funded bodies or private individuals. Payment terms for private individuals are in advance as is usual in this type of business.

KPI's used:
Bad debt ratios
Debtor day measurement

Incidence of bad debt is, as expected, low given the customer base and payment terms.

Liquidity and cash flow risk

As a result of positive cash flows from operating activities and a net current asset position (excluding equity shown as debt), the directors do not consider liquidity or cashflow risk to be an issue, although these areas are closely monitored to ensure the Group's procedures continue to operate effectively.

Quality and regulation risk

The group depends on its continued service quality and compliance with regulations and standards of the Care Quality Commission (CQC)and similar regulatory bodies. Failure to comply could result in regulatory action which could include penalties or revocation of licences to operate as well as having a detrimental effect on occupancy, reputation and costs.

KPI's used;
CQC reports and ratings
Internal audit data
Staffing levels

The group continues to evolve and improve its internal audit systems which it considers fit for purpose when measuring quality and compliance.

Fire safety risk

The directors believe that staff and service users should be as safe as possible from the threat of fire or from injury in the case of an outbreak of fire and that the best way to ensure that safety exists is to:

- have robust fire policies and procedures in place
- ensure that appointed fire wardens are in place in accordance with the law

- ensure that staff are well trained to cope with an outbreak of fire or an alarm.

The group has an online estates management system with policy documents and certification on all fire systems for service and maintenance with alert dates to ensure compliance.

Individual fire risk assessment and actions plans are held locally and centrally. Fire training forms part of the group's mandatory training programme which is monitored via an online training matrix.

External fire risk assessors are used where required to assist and ensure compliance and to support continuous improvement A partnering arrangement with South Tyneside Building Control provides support in ensuring fire compliance for existing and new buildings.

Risks related to Covid 19 and other infections.

The group's elderly frail client group and the workforce are particularly vulnerable to the effects of Covid 19. The risks to the group include a decline in occupancy and new admissions as well as the impact on the availability of staff. The directors believe that its clients and staff should be protected as far as possible from the risk of Covid 19 and has set policies in line with Government Guidelines to ensure environments and conditions are as safe as possible, including the provision of the necessary personal protective equipment and good infection control measures.

Staff resources risk

The group is reliant on its ability to attract and retain suitably qualified staff to ensure the continued provision of quality services. In doing so, it strives to provide pay rates in keeping with local market conditions, comprehensive training and monitoring of staff and providing good working conditions.

KPI's used;
Staff turnover levels
Ratios of employed staff against agency staff
Staff costs per client

The group's staff turnover levels have increased but are within sector norms and continue to remain in line with company expectations. Ratios of agency staff were the higher than forecast in the year but the group continues to support its homes in positive recruitment initiatives to further improve its ratio of employed staff. The group continues to monitor levels of staff training and regularly reviews staff survey results.

Fee revenue risk

A significant proportion of the group's turnover is derived from government funded clients and as such the continuation of this policy and annual increases in fee rates is important for the group to maintain its margins. If fee rates do not rise in line with costs then the group is likely to suffer lower margins as a result.

KPI's used;
Ratios of private clients against government funded clients
Average fee rates
Occupancy rates

The group considers its average fee rates to be below the national average and that they offer value for money for service users. Occupancy rates were on average slightly below expectations in the year reflecting the competitive nature of the market place. Covid 19 continues to have an impact on occupancy levels though these have now recovered to near normal levels. The ratio of private clients to Government funded clients reduced slightly during the year.

Brexit risk

The group has considered the risks associated with Brexit.

The group does not import goods from Europe and so doesn't expect any direct impact in relation to any tariffs or duties that may be charged, though it is aware that there may be general price rises if such duties and tariffs are levied.

The group is mindful of the impact that Brexit may have on the following areas;

- Unemployment and inflation
- Greater regulatory and compliance risks in areas governed by EU law
- The loss of EU labour or the growth in labour costs as a result of increased competition for that labour
- Legal and compliance issues resulting from changes in laws and regulation
- Potential supply chain disruption

The group's board will continue to monitor developments and act accordingly.

SECTION 172 STATEMENT
Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders in their decision making. The directors continue to have regard to the interests of the group's and the company's employees and other stakeholders, including the impact of its activities on the community, the environment and the group's reputation, when making decisions. Acting in good faith and fairly between members, the directors consider what is most likely to promote the success of the group and company for its members in the long term. Whilst the importance of giving due consideration to our stakeholders is not new, we are explaining in more detail this year how the board engages with our stakeholders, thus complying with the requirement to include a statement setting out how our directors have discharged this duty.

In this context we note the following:

The directors are fully aware of their responsibilities to promote the success of the group and company in accordance with S172 of the Companies Act 2006. To ensure the group and the company complies, the board regularly reflects on how the group engages with its stakeholders and opportunities for enhancement in the future.

The board regularly reviews our principal stakeholders and how we engage with them. All stakeholders are key to ensuring the group's residents receive the best care and value for money. The stakeholder voice is brought into the boardroom through information provided by management and also by direct engagement with stakeholders themselves. Such stakeholders include shareholders, employees, customers, residents and the wider community in which the group operates. Regular residents meetings are recorded and help steer the strategic direction of each home. This includes refurbishment plans, extensions to the home and marketing. Resident engagement has and will continue to be part of the company strategy. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making.

The board continues to enhance its methods of engagement with the workforce, not withstanding the challenges of the ongoing Covid-19 pandemic.

We work responsibly with our suppliers. The importance of supplier relationships is also recognised, as evidenced by paying suppliers to agreed terms.

The fundamental overriding principles in the governance of the group and the company is that of ensuring transparent conduct which reflects fairness in all dealings with shareholders, employees, customers and suppliers.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS
Matters relating to the group's engagement with suppliers, customers and others is included in the S172 statement above.

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

EMPLOYEE INVOLVEMENT AND ENGAGEMENT
It is the group's policy that the selection of employees for recruitment, training, development and promotion should be determined solely on their skills, abilities and other requirements which are relevant to the job, regardless of their gender, race, religion or disability.

The group recognises the value of its employees and places importance on communications with employees which takes place at many levels throughout the organisation on both a formal and informal basis. The personal development of employees is closely monitored so that appropriate training programmes can be designed with a view to assisting employees to achieve their own objectives as well as those of the group.

ON BEHALF OF THE BOARD:

....
J N Alflatt - Secretary

Date: 23 November 2022

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2022.

DIVIDENDS
No dividends will be distributed for the year ended 31 March 2022.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

J N Alflatt
M S Patel
C Farebrother
P Nicholls

Other changes in directors holding office are as follows:

M Lingens was appointed as a director after 31 March 2022 but prior to the date of this report.

GOING CONCERN
The directors have reasonable expectation that the group has adequate resources to continue in operation for the foreseeable future. The directors therefore believe that it is appropriate to prepare the financial statements on a going concern basis. Further details for the basis of which the directors have formed this opinion are found in note 2 to the financial statements.

STREAMLINED ENERGY AND CARBON REPORTING
Greenhouse Gas (GHG) Emissions
The group's calculated CO2 emissions for the year were 8,455 tCO2 (2021 - 7,961 tCO2), whilst energy consumption was 42,677,860 kWh. (2021 - 40,656,346 kWh) The figures relating to the consumption of gas and heating oil, electricity and transport fuel are set out below;

	Gas	Electricity	Other Fuels
Consumption in kWh	31,787,606	8,776,923	2,113,331
Carbon emissions in tCO2	5,822	2,029	604

The group operates 69 properties, including its head office and thus consumption is equivalent to 618,520 kWh per property (2021 - 68 properties equivalent to 597,887 kWh per property), whilst carbon emissions are equivalent to 122.54 tCO2 (2021 - 117.07 tCO2) per property.

Methodology
The group's consumption and emission figures were calculated by reference to consumption data prepared by the group's energy consultants for the year to 31 March 2022.

Increasing Energy Efficiency
The board acknowledges that the group's consumption and emissions on a per property basis have increased in the year. Much of the group's energy consumption comes from heating its homes which is key to the care of its elderly and vulnerable clients. The board is acutely aware of the impact of rising energy costs on the business as well as the need to increase energy efficiency. The board has an ongoing policy and programme of updating its properties to ensure that they are as energy efficient as possible, including installation of energy efficient boilers, heating systems and windows, as well as communicating to home managers the need to carefully consider their use of fuel.

DISCLOSURE IN THE STRATEGIC REPORT
Certain information required to be disclosed in the directors' report has been shown instead in the strategic report as allowed under S414C (11) CA2016.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company and group's auditors are unaware, and each director has taken all of the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company and group's auditors are aware of that information.

AUDITORS
The auditors, CLA Evelyn Partners Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

....
J N Alflatt - Secretary

Date: 23 November 2022

evelyn PARTNERS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MINSTER CARE GROUP LIMITED

Opinion

We have audited the financial statements of Minster Care Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Income Statement, the Consolidated Other Comprehensive Income Statement, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and the 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 FRS 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 group's and of the parent company's affairs as at 31 March 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group and parent 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 Group Strategic Report, Report of the Directors and Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within Group Strategic Report, Report of the Directors and Consolidated Financial Statements. 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 the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 set out on page 8, 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 group's and the parent 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 group or the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements and which are central to the Group's ability to conduct its business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the Group.

- Companies Act 2006 in respect of the preparation and presentation of the financial statements.
- FRS102 in respect of the preparation and presentation of the financial statements.
- The Health and Social Care Act 2008 (Regulated Activities) Regulations 2014.
- The Care Quality Commission (Registration) Regulations 2009.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations identified above:

- We enquired with the Group's management as to the existence of litigation and no material items were identified;
- We obtained written management representations regarding disclosure of any non-compliance with laws and regulations;
- We reviewed board minutes of the Group and Parent Company to identify if there were any litigation or claims being discussed that had not been disclosed to us by management;
- We inspected correspondence with the Care Quality Commission including inspection reports conducted by these third parties to consider if any material penalties were likely to arise against the business based on these inspections.

The senior statutory auditor led a discussion with all members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were:

- Manipulation of the financial statements via the posting of fraudulent journal entries and incorrect recognition of revenue, particularly surrounding the period-end; and
- Manipulation of accounting estimates such as the bad debt provision, to overstate results.

These areas were communicated to the other members of the engagement team not present at the discussion.

Audit procedures performed by the engagement team on the areas where fraud might occur included:

- Evaluation of the design effectiveness of management's controls designed to prevent and detect irregularities;
- Testing journal entries, selected based on specific risk assessments applied based on client processes and controls surrounding manual journals;
- Substantively testing the recognition of revenue to underlying documentation, specifically around the Balance Sheet date;
- Performing substantive audit tests on material areas affecting profits;
- Challenging management regarding the assumptions used in estimates

The senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

CLA Evelyn Partners
CLA Evelyn Partners (Nov 23, 2022 18:29 GMT)

Chetan Mistry
Senior Statutory Auditor, for and on behalf of
CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants
Date: 23/11/2022

45 Gresham Street
London
EC2V 7BG

Minster Care Group Limited (Registered number: 10721304)

Consolidated Income Statement
for the Year Ended 31 March 2022

	Notes	31.3.22 £	31.3.21 £
REVENUE	3	**105,375,895**	97,224,604
Cost of sales		**75,130,429**	72,347,812
GROSS PROFIT		**30,245,466**	24,876,792
Administrative expenses		**31,095,909**	28,767,554
		(850,443)	(3,890,762)
Other operating income	4	**7,775,098**	7,701,661
OPERATING PROFIT	6	**6,924,655**	3,810,899
Interest payable and similar expenses	7	**855,228**	857,531
PROFIT BEFORE TAXATION		**6,069,427**	2,953,368
Tax on profit	8	**1,013,731**	783,135
PROFIT FOR THE FINANCIAL YEAR		**5,055,696**	2,170,233
Profit attributable to: Owners of the parent		**5,055,696**	2,170,233

The notes form part of these financial statements

Minster Care Group Limited (Registered number: 10721304)

Consolidated Other Comprehensive Income
for the Year Ended 31 March 2022

	Notes	31.3.22 £	31.3.21 £
PROFIT FOR THE YEAR		**5,055,696**	2,170,233
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**5,055,696**	2,170,233
Total comprehensive income attributable to:			
Owners of the parent		**5,055,696**	2,170,233

The notes form part of these financial statements

Minster Care Group Limited (Registered number: 10721304)

Consolidated Balance Sheet
31 March 2022

	Notes	31.3.22 £	31.3.21 £
FIXED ASSETS			
Intangible assets	10	**2,142,421**	1,924,985
Property, plant and equipment	11	**16,392,884**	11,927,828
Investments	12	**-**	-
		18,535,305	13,852,813
CURRENT ASSETS			
Inventories	13	**185,263**	144,263
Debtors	14	**12,570,525**	12,141,855
Cash at bank and in hand		**12,706,142**	8,610,957
		25,461,930	20,897,075
CREDITORS			
Amounts falling due within one year	15	**(23,469,831)**	(22,742,641)
NET CURRENT ASSETS/(LIABILITIES)		**1,992,099**	(1,845,566)
TOTAL ASSETS LESS CURRENT LIABILITIES		**20,527,404**	12,007,247
CREDITORS			
Amounts falling due after more than one year	16	**(10,192,506)**	(6,728,045)
NET ASSETS		**10,334,898**	5,279,202
CAPITAL AND RESERVES			
Called up share capital	21	**200**	200
Retained earnings		**10,334,698**	5,279,002
SHAREHOLDERS' FUNDS		**10,334,898**	5,279,202

The financial statements were approved by the Board of Directors and authorised for issue on 23 November 2022 and were signed on its behalf by:

Mahesh S Patel
Mahesh S Patel (Nov 23, 2022 17:51 GMT)

....
M S Patel - Director

The notes form part of these financial statements

Minster Care Group Limited (Registered number: 10721304)

Company Balance Sheet
31 March 2022

	Notes	31.3.22 £	31.3.21 £
FIXED ASSETS			
Intangible assets	10	-	-
Property, plant and equipment	11	-	-
Investments	12	**12,679,570**	12,679,470
		12,679,570	12,679,470
CURRENT ASSETS			
Debtors	14	**4,240,220**	6,817,017
Cash at bank		**1,919,453**	520,196
		6,159,673	7,337,213
CREDITORS			
Amounts falling due within one year	15	**(9,131,232)**	(10,567,558)
NET CURRENT LIABILITIES		**(2,971,559)**	(3,230,345)
TOTAL ASSETS LESS CURRENT LIABILITIES		**9,708,011**	9,449,125
CREDITORS			
Amounts falling due after more than one year	16	**(6,728,045)**	(6,728,045)
NET ASSETS		**2,979,966**	2,721,080
CAPITAL AND RESERVES			
Called up share capital	21	**200**	200
Retained earnings		**2,979,766**	2,720,880
SHAREHOLDERS' FUNDS		**2,979,966**	2,721,080
Company's profit for the financial year		**258,886**	190,428

The financial statements were approved by the Board of Directors and authorised for issue on 23 November 2022 and were signed on its behalf by:

Mahesh S Patel
Mahesh S Patel (Nov 23 2022 17:51 GMT)

....
M S Patel - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2020	200	3,108,769	3,108,969
Changes in equity			
Total comprehensive income	-	2,170,233	2,170,233
Balance at 31 March 2021	200	5,279,002	5,279,202
Changes in equity			
Total comprehensive income	-	5,055,696	5,055,696
Balance at 31 March 2022	200	10,334,698	10,334,898

The notes form part of these financial statements

Company Statement of Changes in Equity
for the Year Ended 31 March 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2020	200	2,530,452	2,530,652
Changes in equity			
Total comprehensive income	-	190,428	190,428
Balance at 31 March 2021	200	2,720,880	2,721,080
Changes in equity			
Total comprehensive income	-	258,886	258,886
Balance at 31 March 2022	200	2,979,766	2,979,966

The notes form part of these financial statements

Minster Care Group Limited (Registered number: 10721304)

Consolidated Cash Flow Statement
for the Year Ended 31 March 2022

	Notes	31.3.22	31.3.21
		£	£
Cash flows from operating activities			
Cash generated from operations	27	**12,782,222**	10,806,119
Interest paid		**(734,697)**	(576,125)
Finance costs paid		**(506,701)**	(541,566)
Tax paid		**(1,386,840)**	(221,228)
Net cash from operating activities		**10,153,984**	9,467,200
Cash flows from investing activities			
Purchase of tangible fixed assets		**(3,330,688)**	(4,512,710)
Sale of tangible fixed assets		**18,659**	1,986
Acquisition of subsidiaries		**(2,765,907)**	-
Cash and cash equivalents acquired		**(31,781)**	-
Net cash from investing activities		**(6,109,717)**	(4,510,724)
Cash flows from financing activities			
Loan repayments in year		**(3,446,134)**	-
Bank loans drawn down		**3,750,000**	-
Bank loan repayments		**(93,375)**	-
Amount repaid to directors		**(159,573)**	(525,000)
Net cash from financing activities		**50,918**	(525,000)
Increase in cash and cash equivalents		**4,095,185**	4,431,476
Cash and cash equivalents at beginning of year	28	**8,610,957**	4,179,481
Cash and cash equivalents at end of year	28	**12,706,142**	8,610,957

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

Minster Care Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

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

2. **ACCOUNTING POLICIES**

Basis of preparing the consolidated financial statements
The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value and in accordance with Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council.

The parent company is included in the consolidated financial statements and it is considered to be a qualifying entity under FRS102 paragraphs 1.8 to 1.12. On that basis it has taken advantage of the exemption not to present a separate parent company cash flow statement with related notes.

The principal activities of the company and its subsidiaries (the group) and the nature of the group's operations are set out in the strategic report on pages two to six.

Going concern
The directors consider it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

At the balance sheet date, whilst the company had net current liabilities, it has recognised £2,694,026 (2021 - £3,410,160) of B preference shares as debt falling due within one year in accordance with Financial Reporting Standard 102. The B preference shares are redeemable as outlined in note 17 to the accounts. The directors will not redeem any of these shares by giving notice to shareholders unless such redemption can be made without impacting on the group's ability to continue to trade. The B preference shareholders, as a group, have assured the board that they will not seek redemption of their shares, either in part or in full without first discussing the impact on the group with the board beforehand.

At the balance sheet date, the group had cash balances of £12,706,142 (2021 - £8,610,957) which are considered more than adequate to finance working capital requirements and it has traded profitably since 31 March 2022, further increasing cash reserves. Moreover, the group traded ahead of what was required under the covenants relating to its leases and it is forecast to continue to do so.

The Covid 19 pandemic and the various lockdowns and other Government restrictions imposed in the year ended 31 March 2022 presented challenges to the group by way of reduced occupancy and admission levels and staff resourcing issues as well as higher than usual staffing costs and infection control related costs. The group worked closely with its suppliers to both ensure continuity of supply and to negotiate competitive pricing. Occupancy is constantly monitored and the group is working closely with Local Authorities and CCGs to manage and monitor demand and supply, utilising both financial and practical Covid 19 related support and to ensure appropriate communication to all our stakeholders.

continued...

The Directors cannot predict the long term impact of further waves of Covid on occupancy levels, workforce and costs but are encouraged with the way the group has dealt with, and adapted to, the demands of the past year.

The directors have performed a going concern assessment for a period of at least 12 months following the date of approval of these financial statements, including detailed cash flow forecasts, which indicate that, taking account of reasonably predictable downsides, the Group will have sufficient funds to continue as a going concern. Directors have a strong communication line with shareholders and provide regular updates on performance of the business. As a result the directors are comfortable the group would have the continued support of the shareholders if it was required, however such a situation is considered to be highly improbable. Further support from Government infection control grants to support the financial impact of infection control are considered likely but have not been relied upon to form the Directors opinion.

Based on the above the Directors believe it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Basis of consolidation
The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2022.

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

The results of any subsidiaries acquired or disposed of during the period are included in the Consolidated Income Statement and the Consolidated Other Comprehensive Income Statement, from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those of the group. All intra-group transactions, balances, income and expenditure are eliminated on consolidation.

The excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entities recognised at the date of acquisition is recognised as goodwill arising on the acquisition of an entity.

Significant judgements and estimates
In applying the group's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgement, estimates, and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors considered to be applicable. Due to the inherent subjectivity in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

continued...

2. **ACCOUNTING POLICIES - continued**

Assessing indicators of impairment

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units of which the goodwill is a part. Any impairment loss in respect of a cash generating unit ("CGU") is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

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 outlined below;

Going concern

The preparation of the financial statements on a going concern basis is based on the assessment of the forecast performance of the business for a period of at least 12 months following the date of approval of these financial statements. This assessment includes a degree of judgement in terms of key areas including occupancy levels, fee rates and the timing of cash flows. In undertaking this assessment, the directors have made assumptions and estimates relating to these key areas and applied sensitivity analysis to ascertain the impact of those sensitivities on their forecasts.

continued...

2. **ACCOUNTING POLICIES - continued**

Deferred tax asset
The deferred tax asset arises predominantly due to future timing differences in the interaction of depreciation and capital allowances. The deferred tax asset is calculated on the basis that the directors estimate that the group will continue to make taxable profits in excess of capital allowances available for the foreseeable future and thus the excess capital allowances will be fully utilised over time. The deferred tax asset is calculated at current corporation tax rates. Any increase of decrease in that rate will lead to an increase or decrease in the value of the asset.

Amortisation of goodwill
The directors consider that the amortisation of goodwill over a period of 20 years is justified having considered the useful economic life of that asset.

Business combinations and goodwill
Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group.

The cost of a business combination is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group in exchange for control and the costs directly attributable to the business combination. The consideration transferred includes the estimate of any asset or liability resulting from a contingent consideration arrangement where the transfer of further consideration is probable and can be measured reliably. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date. Contingent liabilities are only recognised where the fair value can be measured reliably.

The group measures goodwill at the acquisition date as the excess of the cost of the business combination over the acquirer's interest in the net amount of the identifiable assets, liabilities and contingent liabilities recognised.

When the excess is negative, the negative goodwill arising is recognised separately on the face of the balance sheet and released up to the fair value of the non-monetary assets as the non-monetary assets are recovered and otherwise in the periods expected to be benefited.

Goodwill is amortised evenly over its estimated useful life of 20 years. The directors consider that goodwill has an estimated useful life of 20 years as this matches the lease term of the premises from where the business operates.

Intangible assets
Separately acquired intangible assets are initially recognised at cost and are subsequently amortised over their useful economic lives.

Intangible assets acquired in a business combination are recognised separately from goodwill when it is probable that the expected future economic benefits that are attributable to the asset will flow to the group and the asset is separable or arises from contractual or other legal rights. Such intangibles are initially recognised at fair value at the date of acquisition and are subsequently amortised over their useful economic lives.

continued...

2. **ACCOUNTING POLICIES - continued**

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

Long leasehold	- 5% on cost
Fixtures & fittings	- 20% on cost
Motor vehicles	- 25% on cost
Improvements to property	- 5% on cost
Freehold property	- 2% on cost

Tangible assets are stated at cost less accumulated depreciation and any recognised impairment loss.

Investments in subsidiaries
Investments in subsidiaries are stated at cost less any provision for impairment.

Government grants
The accruals model is used in accounting for Government grants.

Inventories
Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments
Financial assets and financial liabilities are recognised in the balance sheet when the group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the group's cash management.

Financial liabilities and equity instruments issued by the group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

continued...

2. **ACCOUNTING POLICIES - continued**

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Pension costs and other post-retirement benefits

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

The Group entered into a defined benefit pension scheme run by the London Borough of Ealing in the prior year. The scheme was taken on as at 2 March 2020 where the overall net value of the fund was £nil. At this time the Group's estimated share of the assets in the scheme were £206,000 and liabilities of £206,000. A formal valuation was not obtained at the year end but the Group consider any movement from the time of acquisition to be immaterial. No accounting transactions have been recognised in regard to the defined benefit pension scheme on the basis that it has no material impact.

Lease commitments

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Normal rentals payable under operating leases are charged over the lease term as incurred. Initial rentals paid on the signing of leases are spread on a straight-line basis over the lease term.

The directors have considered the terms and conditions of the leases that the group has entered into as well as assessing the net present value of minimum future payments under those leases and have concluded that all leases meet the criteria for them to be treated as operating leases.

continued...

2. **ACCOUNTING POLICIES - continued**

Revenue
Revenue is the total amount receivable by the group for resident fees, excluding value added tax, for the services provided during the year.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised.
Rendering of services
Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following condition are satisfied:

- The amount of revenue can be measured reliably,
- It is probable that the company will receive the consideration due under the contract,
- The stage of completion of the contract at the end of the reporting period can be measured reliably
- The costs incurred and the costs to complete the contract can be measured reliably.

Employee costs
Short term employee benefits including holiday pay and annual bonuses are accrued as services are rendered. Contributions to defined contribution pension schemes are charged to profit or loss as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the balance sheet.

3. **REVENUE**

The group's turnover is all derived from the provision of care services. The directors are of the opinion that the group has no substantially different classes of business nor does it supply substantially different geographical markets.

4. **OTHER OPERATING INCOME**

	31.3.22	31.3.21
	£	£
Sundry receipts	**820,955**	567,808
Government grants	**6,954,143**	7,133,853
	7,775,098	7,701,661

Sundry receipts for 2022 predominantly relate to supplier rebates, rental income and other sundry income whilst the figure for 2021 predominantly relates to Research and Development Expenditure Credits received along with other sundry income.

Government grants represent Infection Control grants, other Covid support payments and Coronavirus Job Retention Scheme grants receivable.

continued...

5. **EMPLOYEES AND DIRECTORS**

	31.3.22	31.3.21
	£	£
Wages and salaries	58,845,870	56,269,988
Social security costs	4,225,459	3,778,745
Other pension costs	1,378,423	1,268,241
	64,449,752	61,316,974

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

	31.3.22	31.3.21
Operations	3,225	3,260
Administrative	102	104
	3,327	3,364

	31.3.22	31.3.21
	£	£
Directors' remuneration	397,124	370,997

Information regarding the highest paid director is as follows:

	31.3.22	31.3.21
	£	£
Emoluments etc	154,124	133,533

6. **OPERATING PROFIT**

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

	31.3.22	31.3.21
	£	£
Hire of plant and machinery	84,611	85,160
Depreciation - owned assets	2,865,632	2,402,965
(Profit)/loss on disposal of fixed assets	(18,659)	1,744
Goodwill amortisation	89,103	81,440
Auditors' remuneration	61,000	52,765

continued...

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.22	31.3.21
	£	£
Bank loan interest	70,699	-
Other interest	304,075	364,121
Dividend - B Preference Shares	144,052	157,008
Dividend - A Preference Shares	336,402	336,402
	855,228	857,531

Dividends payable in respect of preference shares are included within interest payable in accordance with Financial Reporting Standard 102.

8. TAXATION

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

	31.3.22	31.3.21
	£	£
Current tax:		
UK corporation tax	1,155,488	559,879
Deferred tax	(141,757)	223,256
Tax on profit	1,013,731	783,135

UK corporation tax has been charged at 19% (2021 - 19%).

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.22	31.3.21
	£	£
Profit before tax	6,069,427	2,953,368
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,153,191	561,140
Effects of:		
Expenses not deductible for tax purposes	167,690	160,766
Capital allowances in excess of depreciation differences	-	(11,808)
Effect of change of rate of Corporation Tax	(307,150)	-
Tax on RDECs tax credits	-	73,037
Total tax charge	1,013,731	783,135

continued...

8. **TAXATION - continued**

Effects of future tax rate changes

Legislation to increase corporation tax from 19% to 25% from 1 April 2023 had been substantively enacted at the reporting date and thus the group's deferred tax asset has been recalculated to take account of the new rate.

9. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

10. **INTANGIBLE FIXED ASSETS**

Group

	Goodwill £
COST	
At 1 April 2021	**2,301,168**
Additions arising on business combinations	**306,539**
At 31 March 2022	**2,607,707**
AMORTISATION	
At 1 April 2021	**376,183**
Amortisation for year	**89,103**
At 31 March 2022	**465,286**
NET BOOK VALUE At 31 March 2022	**2,142,421**
At 31 March 2021	1,924,985

11. PROPERTY, PLANT AND EQUIPMENT

Group

	Land and buildings £	Long leasehold £	Improvements to property £
COST			
At 1 April 2021	-	7,107,893	20,958
Additions	-	375,533	-
Additions due to business combinations	4,000,000	-	-
Disposals	-	-	-
At 31 March 2022	4,000,000	7,483,426	20,958
DEPRECIATION			
At 1 April 2021	-	1,613,818	1,088
Charge for year	32,800	370,897	502
Eliminated on disposal	-	-	-
At 31 March 2022	32,800	1,984,715	1,590
NET BOOK VALUE			
At 31 March 2022	3,967,200	5,498,711	19,368
At 31 March 2021	-	5,494,075	19,870

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 April 2021	14,856,914	158,504	22,144,269
Additions	2,917,763	37,392	3,330,688
Additions due to business combinations	-	-	4,000,000
Disposals	-	(20,636)	(20,636)
At 31 March 2022	17,774,677	175,260	29,454,321
DEPRECIATION			
At 1 April 2021	8,498,335	103,200	10,216,441
Charge for year	2,439,257	22,176	2,865,632
Eliminated on disposal	-	(20,636)	(20,636)
At 31 March 2022	10,937,592	104,740	13,061,437
NET BOOK VALUE			
At 31 March 2022	6,837,085	70,520	16,392,884
At 31 March 2021	6,358,579	55,304	11,927,828

Included in cost of land and buildings is freehold land of £720,000 (2021 - £0) which is not depreciated.

continued...

12. **FIXED ASSET INVESTMENTS**

Company

	Shares in group undertakings £
COST	
At 1 April 2021	**12,679,470**
Additions	**100**
At 31 March 2022	**12,679,570**
NET BOOK VALUE	
At 31 March 2022	**12,679,570**
At 31 March 2021	12,679,470

continued...

12. **FIXED ASSET INVESTMENTS - continued**

Acquisition of subsidiaries

On 24 September 2021, Alphacare Management Services No.2 Limited acquired 100% of the issued share capital of Minster Care Cheaney Limited (formerly Hollyblue Healthcare (Alphacare) Limited).

Alphacare Management Services No. 2 Limited is a wholly owned subsidiary of Minster Care Group Limited.

The primary activity of Minster Care Cheaney Limited is the ownership of Cheaney Court nursing home in Kettering, Northants. Cash consideration for the acquisition amounted to £2,752,152 plus stamp duty. The acquisition has been accounted for under the purchase method. The book values of the identifiable assets and liabilities acquired and the fair value to the group are set out below. There is no difference between the book value and the fair value at 31 March 2022.

	Book value and fair value to group
	£
Fixed assets	
Tangible	**4,000,000**
Current assets	
Debtors	**31,538**
Total assets	**4,031,538**
Creditors	
Other creditors & accruals	**1,232,107**
Current and deferred taxation	**308,282**
Bank debt	**31,781**
Total liabilities	**1,572,170**
Net assets	**2,459,368**
Goodwill arising on acquisition	**306,539**
	2,765,907
Discharged by	
Cash payment for shares	2,752,152
Stamp duty payable	13,755
	2,765,907

In May 2021, Minster Care Limited was formed with £100 of share capital. Minster Care Limited is a wholly owned dormant subsidiary of Minster Care Group Limited.

continued...

12. **FIXED ASSET INVESTMENTS - continued**

Details of undertakings

Details of the investments in subsidiaries in which the company holds any class of share capital are as follows:

Minster Care Management Limited
Willmotts Healthcare Limited
Daimler Green Care Home Limited
Minster Haverhill Limited
Mulberry Manor Ltd
Alpha Care Management Services Limited
Alphacare Management Services No. 2 Limited
Alpha Care Management Services No.3 Limited
Templecare Limited (a wholly owned subsidiary of Minster Care Management Limited)
Abbotsford Care Limited (a wholly owned subsidiary of Minster Care Management Limited)
Downing (Barwell) Limited (a wholly owned subsidiary of Minster Care Management Limited)
Amberley House Care Limited (a wholly owned subsidiary of Minster Care Management Limited)
Quarter Care Ltd. (a wholly owned subsidiary of Minster Care Management Limited)
Dove Care Homes Limited (a wholly owned subsidiary of Templecare Limited)
Croftwood Care Ltd
Croftwood Care (Cheshire)
Croftwood Care (UK) Limited
Westhaven Care Limited (a wholly owned subsidiary of Croftwood Care Limited)
Stansty House Ltd (a wholly owned subsidiary of Willmotts Healthcare Limited)
Minster Care Ealing Limited
Minster Care Services Limited
Minster Care Limited
Minster Care Cheaney Limited (a wholly owned subsidiary of Alphacare Management Services No.2 Limited)

All of the above companies are registered in England and Wales except Quarter Care Limited (registered in Scotland). Minster Care Group Limited holds, directly or indirectly, 100% of the issued share capital and voting rights in each subsidiary. All companies registered in England and Wales have their registered office at 238 Station Road, Addlestone, Surrey KT15 2PS. Quarter Care Limited has its registered office at 72 Croftcroighn Road, Ruchazie, Glasgow G33 3SE.

13. **INVENTORIES**

	Group	
	31.3.22	31.3.21
	£	£
Consumables	**185,263**	144,263

continued...

14. DEBTORS

	Group		Company	
	31.3.22	31.3.21	**31.3.22**	31.3.21
	£	£	**£**	£
Amounts falling due within one year:				
Trade debtors	**8,367,440**	7,385,457	**-**	-
Amounts owed by group undertakings	**-**	-	**4,213,719**	6,705,279
Other debtors	**223,490**	1,125,045	**26,501**	97,644
Deferred tax asset	**44,844**	90,150	**-**	-
Prepayments	**2,737,148**	2,238,881	**-**	14,094
	11,372,922	10,839,533	**4,240,220**	6,817,017

	Group		Company	
Amounts falling due after more than one year:				
Deferred tax asset	**1,197,603**	1,302,322	**-**	-
Aggregate amounts	**12,570,525**	12,141,855	**4,240,220**	6,817,017

Deferred tax asset

	Group		Company	
	31.3.22	31.3.21	**31.3.22**	31.3.21
	£	£	**£**	£
Deferred tax	**1,242,447**	1,392,472	**-**	-

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.22	31.3.21	**31.3.22**	31.3.21
	£	£	**£**	£
Bank loans and overdrafts (see note 17)	**192,164**	-	**-**	-
Other loans (see note 17)	**2,694,026**	6,299,733	**2,694,026**	6,299,733
Payments on account	**4,108,207**	3,109,481	**-**	-
Trade creditors	**4,046,054**	2,909,177	**245,888**	-
Amounts owed to group undertakings	**-**	-	**5,836,148**	3,526,485
Tax	**268,082**	482,934	**-**	-
Social security and other taxes	**3,256,741**	2,372,535	**-**	-
Other creditors	**2,968,219**	2,724,745	**-**	-
Accruals and deferred income	**5,936,338**	4,844,036	**355,170**	741,340
	23,469,831	22,742,641	**9,131,232**	10,567,558

continued...

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

	Group		Company	
	31.3.22	31.3.21	**31.3.22**	31.3.21
	£	£	**£**	£
Bank loans (see note 17)	**3,464,461**	-	**-**	-
Preference shares (see note 17)	**6,728,045**	6,728,045	**6,728,045**	6,728,045
	10,192,506	6,728,045	**6,728,045**	6,728,045

17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.3.22	31.3.21	**31.3.22**	31.3.21
	£	£	**£**	£
Amounts falling due within one year or on demand:				
Bank loans	**192,164**	-	**-**	-
Directors' loan account	**-**	159,573	**-**	159,573
Other loans	**-**	3,000,000	**-**	3,000,000
Preference shares	**2,694,026**	3,140,160	**2,694,026**	3,140,160
	2,886,190	6,299,733	**2,694,026**	6,299,733
Amounts falling due between one and two years:				
Bank loans - 1-2 years	**199,614**	-	**-**	-
Amounts falling due between two and five years:				
Bank loans - 2-5 years	**646,491**	-	**-**	-
Amounts falling due in more than five years:				
Repayable otherwise than by instalments				
Preference shares	**6,728,045**	6,728,045	**6,728,045**	6,728,045
Repayable by instalments				
Bank loans - more than 5 years	**2,618,356**	-	**-**	-

continued...

17. **LOANS - continued**

The director's loan balance was repayable on demand and attracted interest at 10% per annum. It was repaid in full during the year ended 31 March 2022.

Other loans related to loan finance from Whitegate Ventures Limited which is controlled by Mr MS Patel's son. The loan was repayable on demand and attracted interest at 10% per annum. It was repaid in full during the year ended 31 March 2022.

The directors have considered the terms and rights attached to the preference shares and concluded that they need to be recognised as a liability in the balance sheet.

A preference shares are non-redeemable and attract a cumulative dividend at a rate of 5% per annum. On the basis that they are non-redeemable, the liability in respect of these shares has been reclassified as falling due after more than five years.

B preference shares are redeemable in the following circumstances:
- The company giving the holder at least 30 days' notice in writing stating its wish to redeem.
- The appointment of an administrative receiver.
- Holders of not less than 75% of the B preference shares serving notice on the company.
- On the date of any sale or listing.

B preference shares also attract a cumulative dividend at a rate of 5% per annum.

446,134 B preference shares were redeemed at par on 9 September 2021..

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**31.3.22** £	31.3.21 £
2,694,026	B Preference	£1	**2,694,026**	3,140,160
6,728,045	A Preference	£1	**6,728,045**	6,728,045
			9,422,071	9,868,205

18. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	31.3.22 £	31.3.21 £
Within one year	**16,346,775**	14,799,089
Between one and five years	**68,637,148**	61,475,465
In more than five years	**210,290,787**	202,514,606
	295,274,710	278,789,160

Leasing payments recognised as an expense in the financial statements amounted to £15,499,305 (2021 - £14,591,809).

continued...

19. FINANCIAL INSTRUMENTS

	Group		Company	
	31.03.22	31.03.21	**31.03.22**	31.03.21
	£	£	**£**	£
Financial assets				
Financial assets that are debt instruments measured at amortised cost.	**8,590,930**	8,510,502	**4,240,220**	6,802,923
	8,590,930	8,510,502	**4,240,220**	5,802,923
Financial liabilities				
Financial liabilities measured at amortised cost	**26,029,307**	23,505,736	**15,859,277**	17,295,603
	26,029,307	23,505,736	**15,859,277**	17,295,603

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group companies, bank and other loans, directors' loan accounts, the value of preference shares issued, accruals and deferred income.

20. DEFERRED TAX

Group

	£
Balance at 1 April 2021	**(1,392,472)**
Provided during year	**165,394**
Acquired via new subsidiary	**291,781**
Effect of rate change	**(307,150)**
Balance at 31 March 2022	**(1,242,447)**

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**31.3.22**	31.3.21
			£	£
200	Ordinary	£1	**200**	200

Ordinary shares carry voting rights; entitlement to dividends as declared by the board; and entitlement to share in the capital of the company after all preference shares have been paid at their paid up value and after any arrears of preference dividends have been paid.

Preference shares carry no voting rights; attract dividends at 5% per annum; and a right to a return of capital equal to their paid up value. See note 17 for further details.

continued...

22. **CONTINGENT LIABILITIES**

The Company is providing certain wholly owned UK subsidiaries (as disclosed in note 30 and which are included within these Group consolidated financial statements) with guarantee of their respective debts in the form prescribed by Section 479C of the Companies Act 2006 ("The Act") such that they can claim exemption from requiring an audit in accordance with Section 479A of the Act. These guarantees cover all of the outstanding actual and contingent liabilities of these companies at 31 March 2022.

23. **CAPITAL COMMITMENTS**

	31.3.22	31.3.21
	£	£
Contracted but not provided for in the financial statements	-	361,199

At 31 March 2021 the group had capital commitments in relation to four projects totalling £361,199. The entire sum was recovered from Impact Healthcare REIT Plc, the group's landlord, under a variation arrangement which levies an additional rental charge after project completion.

24. **RELATED PARTY DISCLOSURES**

Minster Care Management Ltd and Croftwood Care UK Ltd have entered into 20 year leases with Impact Healthcare REIT Plc (Impact), the owner of certain care home properties operated by those entities. At the 31 March 2022 the leases had an unexpired term of 15 years. During the period Minster Care Management Ltd paid rent to Impact of £9,778,283 (2021 - £8,833,186) and Croftwood Care UK Ltd paid £5,297,981 (2021 - £5,188,032). Mr Patel, Mr Alflatt and Mr Cowley are shareholders in both Minster Care Group Ltd and Impact Healthcare REIT Plc.

During the period, Minster Care Management expensed £508,549 (2021 - £246,909) on care home properties and Croftwood Care UK Ltd expensed £483,372 (2021 - £Nil) on care home properties. These sums are reimbursed by Impact Healthcare REIT Plc and rentalised.

At the year end Minster Care Group Ltd owed Mahesh Patel £Nil (2021 - £159,573) plus outstanding interest charged (at 10%) of £4,065 (2021 - £114,153). During the year £ 159,573 (2021 - £525,000) of the loan was repaid. At 31 March 2022 Minster Care Group Limited owed Whitegate Ventures Ltd, a company in which Mr Patel and his son are directors £nil (2021 - £3,000,000). The loan of £3,000,000 was repaid on 30th March 2022.

Interest charged by Whitegate Ventures Ltd in the period was £300,000 (2021 - £249,863). Interest remaining outstanding at the year end was £Nil (2021 - £249,863). Minster Care Management Ltd paid £79,779 in respect of consultancy services to Whitegate Ventures Ltd

Minster Care Group Ltd advanced £21,403 (2021 - £Nil) to Emscott Holdings Limited, a company in which Mr M Patel' s son and daughter and Mr Alflatt and Mr Nicholls are directors and shareholders. The sum was repaid after the year end.

Minster Care Management Ltd leases its head office from Old Stables Harrow Ltd (a company controlled by a trust settled by Mahesh Patel) for an annual rental of £60,000 (2021 - £60,000).

continued...

During the year Minster Care Management Limited made advances and payments on behalf of Oaktree Care Limited, a company in which Mr Alflatt is a director and shareholder totalling £41,000 (2021: £47,000). At the year end, Minster Care Management Ltd was owed £40,938 (2021 - £46,938).

During the period the company redeemed £446,134 (2021 - £Nil) of preference shares issued to Mrs Nita Patel, sister in law of Mr M Patel.

Minster Care Management Ltd made short term working capital advances to Amicura Ltd a company controlled by Mr Patel. Total advances during the year were £307,334 (2021 - £3,296,272). At the year end Minster Care Management Ltd was owed £Nil (2021 - £Nil) by Amicura Ltd.

Key management personnel are considered to be the directors of the parent company. total transactions with key management personnel for the year were £444,743 (2021 - £445,997).

Preference shares in Minster Care Group Ltd are held as follows:

Party	Relationship	A Pref Shares	B Pref Shares
Fort Trustees Ltd as trustee of the Mahesh & Alka Patel 2003 Trust	M Patel family Trust	202,887	
Bilandor Investments Ltd	Investment company of M Patel family trust	406,895	
Wisteria Investments Ltd	Investment company of Patel family trust	3,486,289	
The Elm Trust	Trust in which family members of Mahesh Patel are beneficiaries	254,787	
John Alflatt	Director and shareholder	383,832	
Colin Farebrother	Director and shareholder	156,342	
Mahesh Patel	Director and shareholder	1,837,013	
The Estate of Surendra Patel	Brother of M Patel		887,013
Kirit Patel	Brother of M Patel		970,000
The Estate of Jogendra Patel	Deceased brother of M Patel		837,013
		6,728,045	2,694,026

A preference shares are non redeemable, B Preference shares are redeemable.

25. **POST BALANCE SHEET EVENTS**

Since the reporting date, the group has disposed of the operational activities of one home and, at the time of approving these financial statements, is in the latter stages of disposing of another home, both for a nominal sum, as part of an ongoing strategic review of operations. Those homes contributed turnover in the year to 31 March 2022 of £2,859,722 but contributed a negligible level of profit before tax.

26. **ULTIMATE CONTROLLING PARTY**

Mahesh and Alka Patel are considered to be the ultimate controlling party by virtue of their shareholding and the ability to act in concert.

27. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.3.22	31.3.21
	£	£
Profit before taxation	**6,069,427**	2,953,368
Depreciation charges	**2,954,735**	2,484,405
(Profit)/loss on disposal of fixed assets	**(18,659)**	1,744
Finance costs	**855,228**	857,531
	9,860,731	6,297,048
Increase in inventories	**(41,000)**	(1,797)
Increase in trade and other debtors	**(547,157)**	(206,056)
Increase in trade and other creditors	**3,509,648**	4,716,924
Cash generated from operations	**12,782,222**	10,806,119

28. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	**12,706,142**	**8,610,957**

Year ended 31 March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	8,610,957	4,179,481

29. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.21	Cash flow	At 31.3.22
	£	£	£
Net cash			
Cash at bank and in hand	**8,610,957**	**4,095,185**	**12,706,142**
	8,610,957	**4,095,185**	**12,706,142**
Debt			
Debts falling due within 1 year	**(6,299,733)**	**3,413,543**	**(2,886,190)**
Debts falling due after 1 year	**(6,728,045)**	**(3,464,461)**	**(10,192,506)**
	(13,027,778)	**(50,918)**	**(13,078,696)**
Total	**(4,416,821)**	**4,044,267**	**(372,554)**

continued...

30. AUDIT EXEMPTION FOR SUBSIDIARIES

For the period ended 31 March 2022 the following subsidiaries of the company were entitled to exemption from audit under S479A of the Companies Act 2006 relating to subsidiary companies:

Subsidiary Name	Companies House Registration Number
Minster Care Management Limited	03676785
Croftwood Care UK Limited	10721289
Croftwood Care (Cheshire) Limited	10265522
Alpha Care Management Services Limited	05578087
Alphacare Management Services No.2 Limited	05620557
Alpha Care Management Services No. 3 Limited	09740080
Minster Care Ealing Limited	12008357
Quarter Care Ltd	SC124088
Minster Care Services Limited	12698486
Minster Care Cheaney Limited	09896024

For the period ended 31 March 2022 the following subsidiaries of the company were entitled to exemption from audit under S480 of the Companies Act 2006 relating to subsidiary companies:

Templecare Limited	03074014
Dove Care Homes Limited	02058163
Abbotsford Care Limited	05761303
Downing (Barwell) Limited	03901381
Willmotts Healthcare Limited	04361380
Stansty House Ltd	06769818
Daimler Green Care Home Limited	05379712
Minster Haverhill Limited	05886655
Mulberry Manor Ltd	07315247
Croftwood Care Ltd	06913844
Amberley Care Ltd	09224572
Westhaven Care Ltd	09224566
Minster Care Limited	13403832

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31. BUSINESS COMBINATIONS

The group took on the operation of a care home in November 2021 by way of lease and received a sum of £147,732 from the previous operator in return for assuming the net liabilities of that care home of the same value.

The net liabilities assumed consisted of the following;

	£
Current assets	
Inventory	10,000
Debtors and prepayments	24,211
Cash	4,695
	38,906
Current liabilities	
Trade creditors	12,872
Payroll and pension costs	137,388
Accruals	36,378
	186,638
Net current liabilities	147,732

The home in question contributed turnover of £1,424,746 in the period from acquisition to 31 March 2022