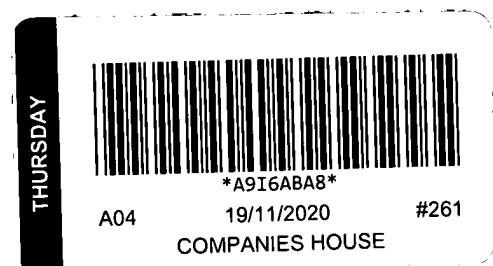


Company registration number: 06015861

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2019

MITCHELL'S CARE HOMES
LIMITED



MENZIES
BRIGHTER THINKING

MITCHELL'S CARE HOMES LIMITED

COMPANY INFORMATION

Directors	B.A. Mitchell B.G. Mitchell
Company secretary	B.A. Mitchell
Registered number	06015861
Registered office	Ashcombe House 5 The Crescent Leatherhead Surrey Surrey KT22 8DY
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor Ashcombe House 5 The Crescent Leatherhead Surrey KT22 8DY
Bankers	Coutts & Co 440 Strand London WC2R 0QS

MITCHELL'S CARE HOMES LIMITED

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MITCHELL'S CARE HOMES LIMITED

REGISTERED NUMBER:06015861

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	4	431,375	482,125
Tangible assets	5	136,120	181,119
		<u>567,495</u>	<u>663,244</u>
Current assets			
Debtors: amounts falling due within one year	6	2,600,397	2,798,639
Cash at bank and in hand		75,811	19,871
		<u>2,676,208</u>	<u>2,818,510</u>
Creditors: amounts falling due within one year	7	(468,314)	(658,232)
Net current assets		<u>2,207,894</u>	<u>2,160,278</u>
Total assets less current liabilities		<u>2,775,389</u>	<u>2,823,522</u>
Creditors: amounts falling due after more than one year	8	(316,268)	(103,261)
Net assets		<u><u>2,459,121</u></u>	<u><u>2,720,261</u></u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		2,458,121	2,719,261
		<u><u>2,459,121</u></u>	<u><u>2,720,261</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

Bibi Mitchell

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B.A. Mitchell
Director

Date: 16-Nov-2020

The notes on pages 2 to 8 form part of these financial statements.

MITCHELL'S CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. General information

Mitchell's Care Homes Limited is a private company limited by shares incorporated in England and Wales. The address of the registered office and the company's registered number is disclosed on the company information page. The principal place of business is Abbey Business Centre, Abbey House, 25 Clarendon Road, Redhill, Surrey, RH1 1QZ.

The Company's functional and presentational currency is GBP and is rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The Company reported a loss of £262k for the year, net current assets of £2.2m and net assets of £2.46m at the balance sheet date. The wider Group remains reliant on the support of its bankers, Coutts & Co to ensure cash flows are sufficient for the Group to continue meeting its liabilities as they fall due.

The emergence and spread of COVID-19 in 2020, the associated social distancing measures and imposed travel restrictions have significantly impacted businesses globally. The Company provides essential care services which are supported by local authorities and therefore demand for services and the ability of customers to pay for services remain unaffected by the COVID-19 pandemic and resulting recession. The directors are therefore confident that the Company has a sustainable source of income for the foreseeable future, and that their combined industry and operational expertise will ensure these are managed responsibly and profitably.

Post year end, Coutts & Co have approved an application to continue with the borrowing facilities, demonstrating their continued support of the business in economically challenging times. The Group is subject to various borrowing covenants and there are no forecast breaches for the next 12 months. Together with the continued support of the shareholders, this financial support will ensure that the Group can cover costs and continue in operation for the foreseeable future.

Whilst directors are mindful that economic and political developments resulting from the pandemic will impact the Group, they have assessed that the going concern basis of accounting remains appropriate based on the available bank support, continued demand and funding for services and post year end performance to date.

2.3 Revenue

Revenue from the provision of care services is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable under a contract for services together with contributions from the residents and funding authorities in relation to additional costs attributable to the provision of services.

2.4 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

MITCHELL'S CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.6 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

MITCHELL'S CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.7 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Income and Retained Earnings over its useful economic life.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	20	years straight line
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2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line and reducing balance method.

Depreciation is provided on the following basis:

Short-term leasehold property	-	15 years straight line
Fixtures and fittings	-	25% reducing balance
Motor vehicles	-	25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

3. Employees

The average number of employees, including the directors, during the year was 146 (2018: 146).

MITCHELL'S CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

4. Intangible assets

	Goodwill £
Cost	
At 1 October 2018	1,015,000
At 30 September 2019	<u>1,015,000</u>
Amortisation	
At 1 October 2018	532,875
Charge for the year	<u>50,750</u>
At 30 September 2019	<u>583,625</u>
Net book value	
At 30 September 2019	<u><u>431,375</u></u>
At 30 September 2018	<u><u>482,125</u></u>

MITCHELL'S CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

5. Tangible fixed assets

	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 October 2018	82,318	200,743	333,962	617,023
Disposals	-	(23,027)	-	(23,027)
At 30 September 2019	82,318	177,716	333,962	593,996
Depreciation				
At 1 October 2018	44,899	158,007	232,998	435,904
Charge for the year on owned assets	5,488	9,489	25,241	40,218
Disposals	-	(18,246)	-	(18,246)
At 30 September 2019	50,387	149,250	258,239	457,876
Net book value				
At 30 September 2019	31,931	28,466	75,723	136,120
At 30 September 2018	37,419	42,736	100,964	181,119

6. Debtors

	2019 £	2018 £
Trade debtors	109,801	97,383
Amounts owed by group undertakings	2,185,552	2,462,108
Other debtors	20,031	-
Prepayments and accrued income	285,013	239,148
	2,600,397	2,798,639

MITCHELL'S CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	-	86,450
Bank loans	99,648	30,024
Trade creditors	144,805	11,422
Corporation tax	-	94,673
Other taxation and social security	100,654	262,674
Obligations under finance lease and hire purchase contracts	11,412	20,930
Other creditors	68,035	83,551
Accruals and deferred income	43,760	68,508
	468,314	658,232

The bank loan in the sum of £99,648 (2018: £30,024) is secured by the directors' personal guarantee.

8. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans	312,543	96,462
Net obligations under finance leases and hire purchase contracts	3,725	6,799
	316,268	103,261

The bank loan in the sum of £312,543 (2018: £96,462) is secured by the directors' personal guarantee.

9. Contingent liabilities

The Company has given Coutts & Co a composite guarantee in favour of the parent company Mitchells Holdings Limited and fellow subsidiary Rowan Housing Limited together with a mortgage debenture.

10. Controlling party

The Company's parent company is Mitchells Holding Limited, a company incorporated in England and Wales. Mitchells Holding Limited draws up consolidated financial statements which can be obtained from the registered office of the parent company which is the same as this company and can be found on the company information page. The directors are of the opinion that there is no single controlling party.

MITCHELL'S CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

11. Auditors' information

The auditors' report on the financial statements for the year ended 30 September 2019 was unqualified.

The audit report was signed on 17-Nov-2020 by Andrew Hookway FCA (Senior Statutory Auditor) on behalf of Menzies LLP.