

Company registration number: 06015861

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023

MITCHELL'S CARE HOMES
LIMITED



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 KT22 8DY
Independent auditors	David Howard Chartered Accountants & Statutory Auditor 47 Queens Road Weybridge Surrey KT13 9UH

MITCHELL'S CARE HOMES LIMITED

CONTENTS

	Page
Statement of financial position	1
Notes to the financial statements	2 - 10

MITCHELL'S CARE HOMES LIMITED
REGISTERED NUMBER:06015861

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

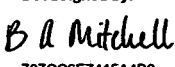
	Note	2023 £	2022 £
Fixed assets			
Intangible assets	4	245,000	295,750
Tangible assets	5	264,883	172,622
		<u>509,883</u>	<u>468,372</u>
Current assets			
Debtors: amounts falling due within one year	6	5,840,100	4,098,225
Cash at bank and in hand		29,999	86,866
		<u>5,870,099</u>	<u>4,185,091</u>
Creditors: amounts falling due within one year	7	(1,489,164)	(889,809)
Net current assets		<u>4,380,935</u>	<u>3,295,282</u>
Total assets less current liabilities		<u>4,890,818</u>	<u>3,763,654</u>
Creditors: amounts falling due after more than one year	8	(61,881)	(117,829)
Net assets		<u><u>4,828,937</u></u>	<u><u>3,645,825</u></u>
Capital and reserves			
Allotted, called up and fully paid share capital		1,000	1,000
Profit and loss account		4,827,937	3,644,825
		<u><u>4,828,937</u></u>	<u><u>3,645,825</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:

DocuSigned by:

 707CC6E7415A4B8...
 B.A. Mitchell
 Director

Date: 1/3/2024

The notes on pages 2 to 10 form part of these financial statements.

MITCHELL'S CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General information

Mitchell's Care Homes Limited is a private company limited by shares incorporated in England and Wales.

The Company's registered number and office address is disclosed on the company information page. The principal place of business is Bridgeham Grange, Broadbridge Lane, Smallfield, Surrey, RH6 9RD.

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

The financial statements have been prepared for the year to 31 March 2023.

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

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

MITCHELL'S CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.6 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.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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 reporting 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 31 MARCH 2023**

2. Accounting policies (continued)**2.8 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.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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
----------	---	----------

2.9 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 methods.

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.

MITCHELL'S CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.11 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due within the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

MITCHELL'S CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.11 Financial instruments (continued)

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

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

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 170 (2022 -150).

MITCHELL'S CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

4. Intangible assets

	Goodwill £
Cost	
At 1 April 2022	1,004,375
At 31 March 2023	1,004,375
Amortisation	
At 1 April 2022	708,625
Charge for the year on owned assets	50,750
At 31 March 2023	759,375
Net book value	
At 31 March 2023	245,000
At 31 March 2022	295,750

MITCHELL'S CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. Tangible fixed assets

	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 April 2022	82,318	250,036	232,145	564,499
Additions	-	189,541	-	189,541
Disposals	-	(117,956)	-	(117,956)
At 31 March 2023	82,318	321,621	232,145	636,084
Depreciation				
At 1 April 2022	64,106	122,207	205,564	391,877
Charge for the year on owned assets	2,582	30,460	2,550	35,592
Disposals	-	(56,268)	-	(56,268)
At 31 March 2023	66,688	96,399	208,114	371,201
Net book value				
At 31 March 2023	15,630	225,222	24,031	264,883
At 31 March 2022	18,212	127,829	26,581	172,622

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £	2022 £
Motor vehicles	204,602	127,829
	204,602	127,829

MITCHELL'S CARE HOMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

6. Debtors

	2023 £	2022 £
Trade debtors	805,840	499,070
Amounts owed by group undertakings	3,901,217	3,091,826
Other debtors	872,945	441,740
Prepayments and accrued income	66,238	55,347
Deferred taxation	193,860	10,242
	<u>5,840,100</u>	<u>4,098,225</u>

7. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank overdrafts	1,113	-
Other loans	31,884	114,331
Trade creditors	49,687	130,050
Amounts owed to group undertakings	268,166	41,369
Corporation tax	700,112	314,882
Other taxation and social security	97,519	62,606
Obligations under finance lease and hire purchase contracts	115,108	44,350
Other creditors	45,358	59,352
Accruals and deferred income	180,217	122,869
	<u>1,489,164</u>	<u>889,809</u>

The other loan in the sum of £0 (2022: £33,563) is secured by the directors' personal guarantee.

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

	2023 £	2022 £
Other loans	-	35,839
Net obligations under finance leases and hire purchase contracts	61,881	81,990
	<u>61,881</u>	<u>117,829</u>

The other loan in the sum of £0 (2022: £7,709) 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 Holding Limited and fellow subsidiary Rowan Housing Limited together with a mortgage debenture.

MITCHELL'S CARE HOMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. Parent and ultimate parent

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.

11. Auditors' information

The auditors' report on the financial statements for the year ended 31 March 2023 was unqualified.

The audit report was signed on
David Howard.

by Nicola King FCA (Senior statutory auditor) on behalf of