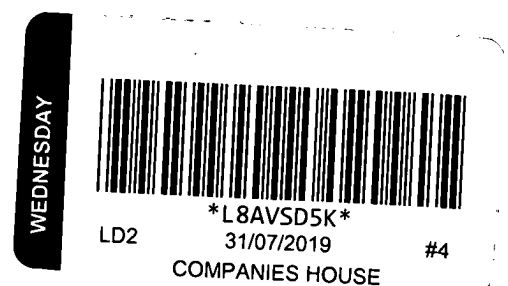


Registered number: 06216796

CARE CONCERN (LEEDS) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2018

RPG CROUCH CHAPMAN LLP
Chartered Accountants
62 Wilson Street
London
EC2A 2BU



CARE CONCERN (LEEDS) LIMITED

COMPANY INFORMATION

Director	M S Johal
Company secretary	G S Tatla
Registered number	06216796
Registered office	2nd Floor The Priory Stomp Road Burnham Slough SL1 7LW
Independent auditors	RPG Crouch Chapman LLP Chartered Accountants & Registered Auditors 62 Wilson Street London EC2A 2BU

CARE CONCERN (LEEDS) LIMITED

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CARE CONCERN (LEEDS) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

Introduction

The directors present their strategic report for the period ended 30 September 2018.

Business review

The group has operated 8 (2017: 8) care homes during the year. The Group's turnover has grown by 1.34% to £11.9m. The Group received £nil from their investment in a care home before disposed of investments for a profit of £640k boosting the group's net profit after tax to £589k (2017: £448k). The director is satisfied with the performance of the group.

Principal risks and uncertainties

Treasury operations and financial instruments

The primary financial instruments are bank deposits, trade debtors, bank loans, trade creditors and shareholder loans. These arise directly from the company's trading operations and shareholder's support.

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business.

Credit Risk

The principal financial assets are trade debtors, bank balances and cash, which represent the group's maximum exposure to credit risk in relation to financial assets.

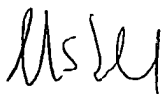
Foreign currency risk

The group is not exposed in its trading operations to the risk of changes in foreign currency exchange rates.

Financial key performance indicators

	2018	2017
Turnover	£11.9m	£1176m
Gross Profit Margin	22.5%	25.6%
Operating Profit Margin(Excluding fair value adjustments)	3.9%	7.4%

This report was approved by the board on 28 June 2019 and signed on its behalf.



.....
M S Johal
Director

CARE CONCERN (LEEDS) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

The director presents his report and the financial statements for the year ended 30 September 2018.

Director's responsibilities statement

The director is responsible for preparing the Group Strategic Report, the Director's Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Results and dividends

The profit for the year, after taxation, amounted to £588,671 (2017 - £448,077).

Director

The director who served during the year was:

M S Johal

Future developments

The directors do not consider there to be any future developments which require specific disclosure aside from items disclosed in post balance sheet events.

CARE CONCERN (LEEDS) LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

Disclosure of information to auditors

The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

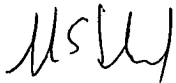
On 21 June 2019 the group was subject to a reorganisation, where the group's new ultimate parent company became Ten M II limited, a company registered in England and Wales, whose registered office is 2nd floor, The Priory, Stomp Road, Burnham SL1 7LW.

The group has also disposed of a number of property interests, which has given the group sufficient liquidity to repay all current bank debt within the current group, and a new long term bank facility has been put in place across the group to provide funding to allow future expansion.

Auditors

The auditors, RPG Crouch Chapman LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 June 2019 and signed on its behalf.



.....
M S Johal
Director

CARE CONCERN (LEEDS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARE CONCERN (LEEDS) LIMITED

Opinion

We have audited the financial statements of Care Concern (Leeds) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2018, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 30 September 2018 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

CARE CONCERN (LEEDS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARE CONCERN (LEEDS) LIMITED (CONTINUED)

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion 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 Group Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Director's 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 its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

CARE CONCERN (LEEDS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARE CONCERN (LEEDS) LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Director's Responsibilities Statement on page 2, the director is 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 director determines 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 director is 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 director either intends to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

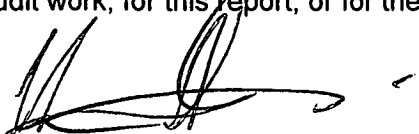
Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's shareholders, 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 Company's shareholders those matters we are required to state to them in an Auditors' 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 Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Foster FCA (Senior Statutory Auditor)

for and on behalf of
RPG Crouch Chapman LLP

Chartered Accountants
Registered Auditors

62 Wilson Street
London
EC2A 2BU

28 June 2019

CARE CONCERN (LEEDS) LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Note	2018 £	2017 £
Turnover	4	11,941,425	11,783,037
Cost of sales		(9,258,562)	(8,766,219)
Gross profit		2,682,863	3,016,818
Administrative expenses		(2,220,325)	(2,149,278)
Operating profit	5	462,538	867,540
Income from shares in group undertakings		-	27,870
Profit on disposal of investments		640,376	-
Interest payable and expenses	8	(353,213)	(502,608)
Profit before taxation		749,701	392,802
Tax on profit	9	(161,030)	55,275
Profit for the financial year		588,671	448,077
Unrealised surplus/(deficit) on revaluation of tangible fixed assets		221,443	(1,206,400)
Other comprehensive income for the year		221,443	(1,206,400)
Total comprehensive income for the year		810,114	(758,323)
Profit for the year attributable to:			
Owners of the parent Company		588,671	448,077
		588,671	448,077

There were no recognised gains and losses for 2018 or 2017 other than those included in the consolidated statement of comprehensive income.

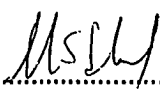
The notes on pages 12 to 27 form part of these financial statements.

CARE CONCERN (LEEDS) LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	10	18,421,000	17,503,226
Investments	11	81	1,624,970
		<u>18,421,081</u>	<u>19,128,196</u>
Current assets			
Stocks	12	-	747
Debtors: amounts falling due within one year	13	4,492,014	4,337,241
Cash at bank and in hand	14	507,067	857,527
		<u>4,999,081</u>	<u>5,195,515</u>
Creditors: amounts falling due within one year	15	(3,429,441)	(4,899,960)
Net current assets		<u>1,569,640</u>	<u>295,555</u>
Total assets less current liabilities		<u>19,990,721</u>	<u>19,423,751</u>
Creditors: amounts falling due after more than one year	16	(10,374,436)	(11,181,262)
Provisions for liabilities			
Deferred taxation	20	(1,565,889)	(1,002,207)
Net assets		<u><u>8,050,396</u></u>	<u><u>7,240,282</u></u>
Capital and reserves			
Called up share capital	21	200	200
Revaluation reserve	22	4,230,268	4,008,825
Merger reserve	22	797,093	797,093
Profit and loss account	22	3,022,835	2,434,164
		<u><u>8,050,396</u></u>	<u><u>7,240,282</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 June 2019.


.....
M S Johal
Director

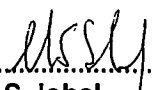
The notes on pages 12 to 27 form part of these financial statements.

CARE CONCERN (LEEDS) LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	11	281	200
Current assets			
Debtors: amounts falling due within one year	13	3,966,277	2,723,146
Cash at bank and in hand	14	16,593	555,610
		<u>3,982,870</u>	<u>3,278,756</u>
Creditors: amounts falling due within one year	15	(2,194,933)	(1,800,253)
Net current assets		<u>1,787,937</u>	<u>1,478,503</u>
Total assets less current liabilities		<u>1,788,218</u>	<u>1,478,703</u>
Net assets		<u><u>1,788,218</u></u>	<u><u>1,478,703</u></u>
Capital and reserves			
Called up share capital	21	200	200
Profit and loss account	22	<u>1,788,018</u>	<u>1,478,503</u>
Equity attributable to shareholders		<u><u>1,788,218</u></u>	<u><u>1,478,703</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 June 2019.



M S Johal
 Director

The notes on pages 12 to 27 form part of these financial statements.

CARE CONCERN (LEEDS) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Called up share capital £	Revaluation reserve £	Merger reserve £	Profit and loss account £	Total equity £
At 1 October 2016	200	5,215,225	-	1,986,087	7,201,512
Comprehensive income for the year					
Profit for the year	-	-	-	448,077	448,077
Deficit on revaluation of freehold property	-	(1,206,400)	-	-	(1,206,400)
Merger reserve movement	-	-	797,093	-	797,093
At 1 October 2017	200	4,008,825	797,093	2,434,164	7,240,282
Comprehensive income for the year					
Profit for the year	-	-	-	588,671	588,671
Surplus on revaluation of freehold property	-	221,443	-	-	221,443
At 30 September 2018	200	4,230,268	797,093	3,022,835	8,050,396

The notes on pages 12 to 27 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Called up share capital £	Profit and loss account £	Total equity £
At 1 October 2016	200	1,307,258	1,307,458
Comprehensive income for the year			
Profit for the year	-	171,245	171,245
At 1 October 2017	200	1,478,503	1,478,703
Comprehensive income for the year			
Profit for the year	-	309,515	309,515
At 30 September 2018	200	1,788,018	1,788,218

The notes on pages 12 to 27 form part of these financial statements.

CARE CONCERN (LEEDS) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	588,671	448,077
Adjustments for:		
Depreciation of tangible assets	214,671	260,155
Profit on disposal of fixed asset investments	(640,376)	-
Interest paid	353,213	502,608
Income from shares in group undertakings	-	(27,870)
Taxation charge	161,030	(55,275)
Decrease/(increase) in stocks	747	(747)
(Increase) in debtors	(116,162)	(1,706,706)
(Decrease)/increase in creditors	(1,957,585)	2,476,076
Net cash generated from operating activities	<u>(1,395,791)</u>	<u>1,896,318</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(159,700)	(1,240,515)
Purchase of unlisted and other investments	(81)	-
Sale of unlisted and other investments	-	1,300,000
Purchase of fixed asset investments	-	(827,677)
Sale of fixed asset investments	2,265,146	-
HP interest paid	(4,015)	(2,751)
Income from investments in related companies	-	27,870
Net cash from investing activities	<u>2,101,350</u>	<u>(743,073)</u>
Cash flows from financing activities		
Repayment of loans	(786,100)	(694,280)
Repayment of/new finance leases	(21,452)	106,885
Interest paid	(349,198)	(499,857)
Net cash used in financing activities	<u>(1,156,750)</u>	<u>(1,087,252)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(451,191)</u>	<u>65,993</u>
Cash and cash equivalents at beginning of year	<u>798,812</u>	<u>732,819</u>
Cash and cash equivalents at the end of year	<u><u>347,621</u></u>	<u><u>798,812</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	507,067	857,527
Bank overdrafts	(159,446)	(58,715)
	<u><u>347,621</u></u>	<u><u>798,812</u></u>

CARE CONCERN (LEEDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

1. General information

The legal form of the company is that of a limited liability company. The entity is incorporated in England and Wales and the company's registered office is 2nd Floor, The Priory Business Centre, Stomp Road, Burnham, Slough, SL1 7LW.

The principal activity of the group continues to be that of providing twenty four hour residential care services to the residents.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in Sterling which is the functional currency of the group and rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 October 2014.

CARE CONCERN (LEEDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.3 Revenue

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 conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group 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; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income 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.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 October 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.5 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

CARE CONCERN (LEEDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

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.

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.

CARE CONCERN (LEEDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Freehold property	-	2% on cost
Plant and machinery	-	25% on reducing balance
Motor vehicles	-	25% Straight line
Fixtures and fittings	-	25% on reducing balance
Computer equipment	-	

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 the Consolidated Statement of Comprehensive Income.

2.9 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

CARE CONCERN (LEEDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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.

CARE CONCERN (LEEDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.16 Financial instruments

The Group 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The items in the financial statements where significant judgments are and estimates have been made include:

Trade debtors are reviewed and provided for where there is uncertainty over recoverability.

Freehold property are reviewed each year for impairment. Unless valued by an external professional valuer, the director applies his best judgement in determining the valuation of the freehold property at the year end.

4. Turnover

All turnover arose within the United Kingdom.

CARE CONCERN (LEEDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Other operating lease rentals	<u>11,557</u>	<u>34,670</u>

6. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>23,800</u>	<u>27,800</u>

7. Employees

Staff costs were as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Wages and salaries	<u>8,176,187</u>	<u>7,405,493</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the director, during the year was as follows:

	2018 No.	2017 No.
Nursing Staff	<u>436</u>	<u>457</u>

8. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	177,841	325,039
Other loan interest payable	171,357	174,818
Finance leases and hire purchase contracts	4,015	2,751
	<u>353,213</u>	<u>502,608</u>

CARE CONCERN (LEEDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

9. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	172,554	(55,275)
	<u>172,554</u>	<u>(55,275)</u>
Total current tax	<u>172,554</u>	<u>(55,275)</u>
Deferred tax		
Origination and reversal of timing differences	(11,524)	-
Total deferred tax	<u>(11,524)</u>	<u>-</u>
Taxation on profit/(loss) on ordinary activities	<u>161,030</u>	<u>(55,275)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.5%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>749,700</u>	<u>392,802</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.5%)	142,443	76,596
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,342	(274)
Capital allowances for year in excess of depreciation	(8,993)	(9,073)
Utilisation of tax losses	-	(48,770)
Short term timing difference leading to an increase (decrease) in taxation	(11,524)	-
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	(72,175)	-
Tax over provision from previous year	-	(73,585)
Capital gains	60,534	-
Unrelieved tax losses carried forward	45,403	-
Other differences leading to an increase (decrease) in the tax charge	-	(169)
Total tax charge for the year	<u>161,030</u>	<u>(55,275)</u>

CARE CONCERN (LEEDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

9. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

10. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 October 2017	18,562,783	355,921	17,500	518,261	19,454,465
Additions	176,096	108,966	-	50,734	335,796
Revaluations	796,649	-	-	-	796,649
At 30 September 2018	<u>19,535,528</u>	<u>464,887</u>	<u>17,500</u>	<u>568,995</u>	<u>20,586,910</u>
Depreciation					
At 1 October 2017	1,657,796	147,834	3,640	141,969	1,951,239
Charge for the year on owned assets	<u>84,681</u>	<u>72,941</u>	<u>3,240</u>	<u>53,809</u>	<u>214,671</u>
At 30 September 2018	<u>1,742,477</u>	<u>220,775</u>	<u>6,880</u>	<u>195,778</u>	<u>2,165,910</u>
Net book value					
At 30 September 2018	<u>17,793,051</u>	<u>244,112</u>	<u>10,620</u>	<u>373,217</u>	<u>18,421,000</u>
At 30 September 2017	<u>16,904,987</u>	<u>208,087</u>	<u>13,860</u>	<u>376,292</u>	<u>17,503,226</u>

The net book value of land and buildings may be further analysed as follows:

	2018 £	2017 £
Freehold	<u>17,793,051</u>	<u>16,904,987</u>

CARE CONCERN (LEEDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

10. Tangible fixed assets (continued)

The properties were valued based on Market Value by a firm of professional surveyors during the year ended 30 September 2016. The directors reviewed the valuations of the properties based on their expectations of the current market and based on trading performance for the year ended 30 September 2017. As a result of that review, the freehold values were written down by £1,508,000 in that year. A similar exercise was carried out by the director and the properties were revalued to £19,535,528 based on professional valuation by the senior bank lender at 30 September 2018.

A charge is held as security on the freehold properties.

11. Fixed asset investments

Group

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 October 2017	1,624,770	200	1,624,970
Additions	-	81	81
Disposals	(1,624,770)	(200)	(1,624,970)
At 30 September 2018	-	81	81
Net book value			
At 30 September 2018	-	81	81
At 30 September 2017	1,624,770	200	1,624,970

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
West Coast Care Limited	Ordinary	100%	Care home
Care Concern Yorkshire Ltd	Ordinary	100%	Care home
Hutton Park Limited (100% owned by West Coast Care Limited)	Ordinary	100%	Care home
JTV Care Homes Ltd	Ordinary	100%	Care home

The aggregate of the share capital and reserves as at 30 September 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

CARE CONCERN (LEEDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

11. Fixed asset investments (continued)

	Aggregate of share capital and reserves £	Profit/(loss) £
West Coast Care Limited	4,870,535	46,422
Care Concern Yorkshire Ltd	(321,016)	(228,951)
Hutton Park Limited	2,995,381	159,492
JTV Care Homes Ltd	2,168,311	302,191
	<u>9,713,211</u>	<u>279,154</u>

Company

	Unlisted investments £
Cost or valuation	
At 1 October 2017	200
Additions	81
At 30 September 2018	<u>281</u>
Net book value	
At 30 September 2018	<u>281</u>
At 30 September 2017	<u>200</u>

12. Stocks

	Group 2018 £	Group 2017 £
Finished goods and goods for resale	<u>-</u>	<u>747</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

CARE CONCERN (LEEDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

13. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	667,502	433,728	-	-
Amounts owed by group undertakings	-	-	1,090,077	100,715
Other debtors	3,730,136	3,805,690	2,876,200	2,622,431
Prepayments and accrued income	94,376	97,823	-	-
	<u>4,492,014</u>	<u>4,337,241</u>	<u>3,966,277</u>	<u>2,723,146</u>

14. Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	507,067	857,527	16,593	555,610
Less: bank overdrafts	(159,446)	(58,715)	-	-
	<u>347,621</u>	<u>798,812</u>	<u>16,593</u>	<u>555,610</u>

15. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank overdrafts	159,446	58,715	-	-
Bank loans	737,825	737,825	-	-
Trade creditors	422,211	560,447	5,001	5,001
Amounts owed to group undertakings	-	-	1,683,271	-
Corporation tax	622,810	495,099	501,580	433,006
Other taxation and social security	304,656	118,992	-	-
Obligations under finance lease and hire purchase contracts	23,806	24,532	-	-
Other creditors	563,253	2,601,362	81	1,362,246
Accruals and deferred income	595,434	302,988	5,000	-
	<u>3,429,441</u>	<u>4,899,960</u>	<u>2,194,933</u>	<u>1,800,253</u>

CARE CONCERN (LEEDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

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

	Group 2018 £	Group 2017 £
Bank loans	10,312,809	11,098,909
Net obligations under finance leases and hire purchase contracts	61,627	82,353
	<u>10,374,436</u>	<u>11,181,262</u>

17. Loans

The bank loans and bank overdrafts are secured by way of a fixed and floating charge over the assets of the group.

	Group 2018 £	Group 2017 £
Bank loans		
Amounts falling due within one year	737,825	737,825
Amounts falling due 2-5 years		
Amounts falling due 2-5 years	2,951,300	2,951,301
Amounts falling due after more than 5 years		
Amounts falling due after more than 5 years	7,361,509	8,147,608
	<u>11,050,634</u>	<u>11,836,734</u>

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2018 £	Group 2017 £
Within one year	23,806	24,532
Between 1-5 years	61,627	81,287
Over 5 years	-	1,066
	<u>85,433</u>	<u>106,885</u>

CARE CONCERN (LEEDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

19. Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Financial assets				
Financial assets measured at fair value through profit or loss	507,148	857,727	16,874	555,810
Financial assets that are debt instruments measured at amortised cost	4,914,715	4,239,418	3,966,277	2,723,146
Financial assets that are equity instruments measured at cost less impairment	-	-	-	-
	<u>5,421,863</u>	<u>5,097,145</u>	<u>3,983,151</u>	<u>3,278,956</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(12,231,542)</u>	<u>15,164,143</u>	<u>(2,053,464)</u>	<u>(1,367,247)</u>

Financial assets that are debt instruments measured at amortised cost comprise of cash and bank balances, trade debtors, amounts owed by group companies and other debtors.

Financial liabilities measured at amortised cost comprise of bank overdrafts, bank loans, trade creditors, amounts owed to group companies and other creditors.

20. Deferred taxation

Group

	2018 £
At beginning of year	(1,002,207)
Charged to profit or loss	11,524
Charged to other comprehensive income	(575,206)
At end of year	<u>(1,565,889)</u>

CARE CONCERN (LEEDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

20. Deferred taxation (continued)

At end of year

	Group 2018 £	Group 2017 £
Accelerated capital allowances	11,524	-
Freehold property revaluation	<u>1,577,413)</u>	<u>1,002,207)</u>

21. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
200 (2017 - 200) Ordinary shares of £1.00 each	<u>200</u>	<u>200</u>

22. Reserves

Revaluation reserve

A revaluation reserve records the surplus that arise when the value of an asset becomes greater than the value at which it was previously carried on the balance sheet.

Merger Reserve

The merger reserve relates to the difference between the fair value of the assets acquired and the consideration paid on acquisition of a company.

Profit and loss account

The profit and loss account reserve is comprised of the accumulated profits and losses of the company, less any dividends paid.

23. Contingent liabilities

The group has a cross-guarantee in place in respect of the bank facilities of Group companies. The guarantee provided is over the assets of the group and no liability was incurred by the company in the year.

CARE CONCERN (LEEDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

24. Commitments under operating leases

At 30 September 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £
Not later than 1 year	28,723	24,526
Later than 1 year and not later than 5 years	81,568	98,373
Later than 5 years	8,008	12,013
	<u>118,299</u>	<u>134,912</u>

25. Related party transactions

The Company has taken advantage of the exemption in Paragraph 33. 1A of FRS 102 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

26. Post balance sheet events

On 21 June 2019 the group was subject to a reorganisation, where the group's new ultimate parent company became Ten M II limited, a company registered in England and Wales, whose registered office is 2nd floor, The Priory, Stomp Road, Burnham SL1 7LW.

The group has also disposed of a number of freehold assets, which has given the group sufficient liquidity to repay all current bank debt within the current group, and a new long term bank facility has been put in place across the group