

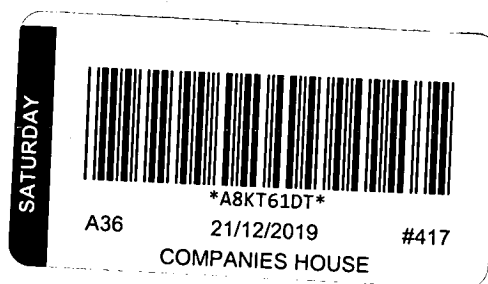
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COMPANY REGISTRATION NUMBER: 08072432

Springfield Healthcare (The Grange) Limited

Financial statements

31 March 2019



Springfield Healthcare (The Grange) Limited

Financial statements

year ended 31 March 2019

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Springfield Healthcare (The Grange) Limited

Officers and professional advisers

The board of directors

Mr P R Phillips
Mr G S Lee
Mr T R Jackson

Registered office

2 Fusion Court
Aberford Road
Garforth
Leeds
LS25 2GH

Auditor

Sagars Accountants Ltd
Chartered accountants & statutory auditor
Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

Springfield Healthcare (The Grange) Limited

Strategic report

year ended 31 March 2019

The directors present their strategic report for the company for the year ended 31 March 2019.

Review of the business in the year

The principal activity of the company during the year was that of the provision of residential care for the elderly.

The 'Seacroft Grange' care village opened to residents in November 2013, with a registered occupancy level of 95 care beds.

In February 2017 Springfield Healthcare (Seacroft Green) Limited, a company owned and operated by the same parent company as the Grange, opened the Seacroft Green Care Centre a care home with 76 registered care beds offering nursing, intermediate and respite care adjacent to the Grange. On opening 23 nursing residents of the Grange moved to Seacroft Green Care Centre, in order to better provide for their nursing care needs.

The business has made an operating profit before depreciation of £838,089 (2018 - £276,356).

The financial year has showed an improvement in profitability as the home filled following the move of residents to Seacroft Green Care Centre in 2017.

Position of the company's business at the end of the year

The Balance Sheet demonstrates the significant asset in the business, being the property and fittings. The net assets of the company increased to £658,799 (2018 - £280,285) as a result of the operating profit in the year.

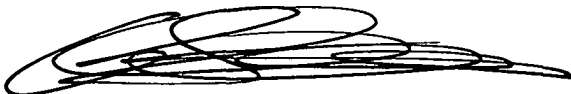
In the next financial year, focus will be on the continued delivery of high quality care to elderly residents. The operations team will continue to work closely with regulatory bodies, such as Care Quality Commission (CQC), and local councils, to meet appropriate standards, with the current trading performance and occupancy levels expected to continue.

Principle risks and uncertainties facing the business

Adult Health and Social Care continues to come under pressure from central government spending cuts. This comes as the need for Care Home places increases as the population live longer but require increasing care. Following high profile cases of neglect and poor Care Home facilities the regulatory body (Care Quality Commission) continues to force up standards within the industry. The business faces, as does the rest of the sector, issues over the recruitment and retention of staff. The impact of the National Living Wage in recent years, the increase in April 2019 and future increases will have a significant impact on payroll costs for the business and throughout the sector.

The Company and the Springfield Group remains committed to achieving the highest standard of quality within all of its care homes.

This report was approved by the board of directors on 18 December 2019 and signed on behalf of the board by:



Mr G S Lee
Director

Registered office:
2 Fusion Court
Aberford Road
Garforth
Leeds
LS25 2GH

Springfield Healthcare (The Grange) Limited

Directors' report

year ended 31 March 2019

The directors present their report and the financial statements of the company for the year ended 31 March 2019.

Directors

The directors who served the company during the year were as follows:

Mr P R Phillips
Mr G S Lee
Mr T R Jackson

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of information in the strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report 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 profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 company will continue in business.

The directors are 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Sagars Accountants Ltd is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Springfield Healthcare (The Grange) Limited

Directors' report *(continued)*

year ended 31 March 2019

This report was approved by the board of directors on 18 December 2019 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'G S Lee', written over a horizontal line.

Mr G S Lee
Director

Registered office:
2 Fusion Court
Aberford Road
Garforth
Leeds
LS25 2GH

Springfield Healthcare (The Grange) Limited

Independent auditor's report to the members of Springfield Healthcare (The Grange) Limited

year ended 31 March 2019

Opinion

We have audited the financial statements of Springfield Healthcare (The Grange) Limited (the 'company') for the year ended 31 March 2019 which comprise the statement of income and retained earnings, statement of financial position 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 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 company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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.

Springfield Healthcare (The Grange) Limited

Independent auditor's report to the members of Springfield Healthcare (The Grange) Limited *(continued)*

year ended 31 March 2019

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 company and its 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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, 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 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 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Springfield Healthcare (The Grange) Limited

Independent auditor's report to the members of Springfield Healthcare (The Grange) Limited *(continued)*


year ended 31 March 2019

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



Kevin Hoult BA, FCA (Senior Statutory Auditor)

For and on behalf of
Sagars Accountants Ltd
Chartered accountants & statutory auditor
Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

18 December 2019

Springfield Healthcare (The Grange) Limited

Statement of income and retained earnings

year ended 31 March 2019

	Note	2019 £	2018 £
Turnover	4	3,854,761	3,271,001
Cost of sales		<u>(2,475,375)</u>	<u>(2,384,870)</u>
Gross profit		1,379,386	886,131
Administrative expenses		<u>(772,184)</u>	<u>(855,675)</u>
Operating profit	5	607,202	30,456
Interest payable and similar expenses	9	<u>(228,688)</u>	<u>(212,156)</u>
Profit/(loss) before taxation		378,514	(181,700)
Tax on profit/(loss)	10	<u>—</u>	<u>—</u>
Profit/(loss) for the financial year and total comprehensive income		<u>378,514</u>	<u>(181,700)</u>
Retained losses at the start of the year		<u>(1,346,477)</u>	<u>(1,164,777)</u>
Retained losses at the end of the year		<u>(967,963)</u>	<u>(1,346,477)</u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 16 form part of these financial statements.

Springfield Healthcare (The Grange) Limited

Statement of financial position

31 March 2019

	Note	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	11		5,055,641		5,203,229
Current assets					
Stocks	12	5,000		5,000	
Debtors	13	719,113		707,895	
Cash at bank and in hand		1,812		2,102	
		<u>725,925</u>		<u>714,997</u>	
Creditors: amounts falling due within one year	14	<u>(1,540,414)</u>		<u>(1,713,555)</u>	
Net current liabilities			<u>(814,489)</u>		<u>(998,558)</u>
Total assets less current liabilities			<u>4,241,152</u>		<u>4,204,671</u>
Creditors: amounts falling due after more than one year	15		<u>(3,582,353)</u>		<u>(3,924,386)</u>
Net assets			<u>658,799</u>		<u>280,285</u>
Capital and reserves					
Called up share capital	16		1,372,212		1,372,212
Share premium account	17		254,550		254,550
Profit and loss account	17		<u>(967,963)</u>		<u>(1,346,477)</u>
Shareholders funds			<u>658,799</u>		<u>280,285</u>

These financial statements were approved by the board of directors and authorised for issue on 18 December 2019, and are signed on behalf of the board by:



Mr T R Jackson
Director

Company registration number: 08072432

The notes on pages 10 to 16 form part of these financial statements.

Springfield Healthcare (The Grange) Limited

Notes to the financial statements

year ended 31 March 2019

1. General information

The principle activity of the company during the year was provision of quality residential care for the elderly.

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is:

2 Fusion Court
Aberford Road
Garforth
Leeds
LS25 2GH

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit and loss.

Going concern

The directors recognise that the future success of the company is contingent on ensuring the highest quality of care. As described in the Strategic Report of both the company and its parent company SHG (Care Villages) Limited, the group continues to invest in its operations team in order to deliver the highest quality operational care at its existing and planned new homes.

The company has prepared forecasts for the period to 31 March 2021 and subjected these to reasonable sensitivities. The forecasts indicate that the cash flows generated from the company's business activities together with the current level of bank and other funding available to the group will be sufficient to meet the company's requirements and to enable the company to pay its liabilities as they fall due for the foreseeable future.

Based on these forecasts the directors consider that the going concern basis of accounting is appropriate to the company.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of SHG (Care Villages) Limited which can be obtained from 2 Fusion Court, Aberford Road, Garforth, Leeds, LS25 2GH. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) Disclosures in respect of share-based payments have not been presented.
- (e) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 402 of the Companies Act 2006 on the basis that its subsidiaries are excluded from consolidation on the grounds that their inclusion is not material for the purpose of giving a true and fair view.

Springfield Healthcare (The Grange) Limited

Notes to the financial statements *(continued)*

year ended 31 March 2019

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Details of these judgements are set out in the accounting policies.

Revenue recognition

Turnover shown in the profit and loss accounts represents amounts invoiced during the year. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, net of Value Added Tax.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Fixtures & Fittings	-	20% Straight Line

Impairment of fixed assets

The directors review tangible fixed assets at the reporting date, and do not consider any impairment is required.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Springfield Healthcare (The Grange) Limited

Notes to the financial statements *(continued)*

year ended 31 March 2019

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Turnover

Turnover arises from:

	2019 £	2018 £
Rendering of services	<u>3,854,761</u>	<u>3,271,001</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging:

	2019 £	2018 £
Depreciation of tangible assets	<u>227,670</u>	<u>245,900</u>

6. Auditor's remuneration

	2019 £	2018 £
Fees payable for the audit of the financial statements	<u>3,700</u>	<u>4,400</u>

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2019 No.	2018 No.
Administrative staff	9	6
Care Team	<u>138</u>	<u>125</u>
	<u>147</u>	<u>131</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019 £	2018 £
Wages and salaries	1,954,794	1,826,445
Social security costs	<u>130,307</u>	<u>105,186</u>
	<u>2,085,101</u>	<u>1,931,631</u>

Springfield Healthcare (The Grange) Limited

Notes to the financial statements *(continued)*

year ended 31 March 2019

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2019 £	2018 £
Remuneration	–	80,000

9. Interest payable and similar expenses

	2019 £	2018 £
Interest on banks loans and overdrafts	123,652	140,156
Other interest payable and similar charges	105,036	72,000
	<u>228,688</u>	<u>212,156</u>

10. Tax on profit/(loss)

Reconciliation of tax income

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Profit/(loss) on ordinary activities before taxation	378,514	(181,700)
Profit/(loss) on ordinary activities by rate of tax	71,918	(34,523)
Deferred tax not recognised	(71,918)	34,523
Tax on profit/(loss)	–	–

11. Tangible assets

	Freehold property £	Fixtures and fittings £	Total £
Cost			
At 1 April 2018	5,457,073	733,283	6,190,356
Additions	–	80,082	80,082
At 31 March 2019	<u>5,457,073</u>	<u>813,365</u>	<u>6,270,438</u>
Depreciation			
At 1 April 2018	460,434	526,693	987,127
Charge for the year	109,141	118,529	227,670
At 31 March 2019	<u>569,575</u>	<u>645,222</u>	<u>1,214,797</u>
Carrying amount			
At 31 March 2019	<u>4,887,498</u>	<u>168,143</u>	<u>5,055,641</u>
At 31 March 2018	<u>4,996,639</u>	<u>206,590</u>	<u>5,203,229</u>

Springfield Healthcare (The Grange) Limited

Notes to the financial statements *(continued)*

year ended 31 March 2019

12. Stocks

	2019 £	2018 £
Consumables	<u>5,000</u>	<u>5,000</u>

13. Debtors

	2019 £	2018 £
Trade debtors	184,308	164,313
Amounts owed by group undertakings	496,683	488,000
Prepayments and accrued income	38,122	37,241
Other debtors	–	18,341
	<u>719,113</u>	<u>707,895</u>

14. Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	681,407	680,142
Trade creditors	64,630	145,778
Amounts owed to group undertakings	270,214	422,251
Accruals and deferred income	263,367	202,243
Social security and other taxes	26,948	20,613
Other creditors	233,848	242,528
	<u>1,540,414</u>	<u>1,713,555</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2019 £	2018 £
Bank loans and overdrafts	<u>681,407</u>	<u>680,142</u>

Security is by a fixed and floating charge over all assets and undertakings of the SHG (Care Villages) Group.

15. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans and overdrafts	2,814,139	3,159,723
Other creditor - Business Growth Fund	768,214	764,663
	<u>3,582,353</u>	<u>3,924,386</u>

All creditors falling due after more than one year are secured by the company. Security is by a fixed and floating charge over all assets and undertakings of the SHG (Care Villages) Group.

Included within creditors: amounts falling due after more than one year is an amount of £1,680,831 (2018: £1,976,562) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

Springfield Healthcare (The Grange) Limited

Notes to the financial statements *(continued)*

year ended 31 March 2019

15. Creditors: amounts falling due after more than one year *(continued)*

The bank loan is repayable over the period to 2030, the interest rate on the loan is 2.75% above base.

16. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Preferred A Ordinary shares of £1 each	164,000	164,000	164,000	164,000
Ordinary B shares of £1 each	371,788	371,788	371,788	371,788
Ordinary B1 shares of £1 each	836,424	836,424	836,424	836,424
	<u>1,372,212</u>	<u>1,372,212</u>	<u>1,372,212</u>	<u>1,372,212</u>

The Preferred A Ordinary shares carry a 15% cumulative dividend which is payable in priority to any other class of shares. The Articles of Association allow the distribution of the any residual profits to the holders of the different classes of shares pro rata according to the number of shares held.

In the event of a winding up of the company, any residual funds available for distribution to the shareholders will be made in the following order and priority to the holders of the following classes of shares, preferred A Ordinary shares, B Ordinary shares, B1 Ordinary shares, C Ordinary shares.

An amount of £167,010 (2018 - £142,410) of cumulative dividend is owing to the shareholders of the Preferred A Ordinary Shares.

17. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses.

18. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Not later than 1 year	2,135	2,171
Later than 1 year and not later than 5 years	<u>2,598</u>	<u>10,297</u>
	<u>4,733</u>	<u>12,468</u>

Springfield Healthcare (The Grange) Limited

Notes to the financial statements *(continued)*

year ended 31 March 2019

19. Related party transactions

Transactions

SHG (Care Villages) Limited

During the year SHG (Care Villages) Limited made payments to suppliers and staff on behalf of Springfield Healthcare (The Grange) Limited. At the year end, a balance was owed to SHG (Care Villages) Limited amounting to £270,214 (2018 - £410,756) which is included in creditors.

The Business Growth Fund

At 31 March 2019 Springfield Healthcare (The Grange) Limited held a loan provided by Business Growth Fund of £600,000 (2018 £600,000). The loan is subject to interest of 12% per annum. £72,000 (2018 £72,000) was charged to the company in the period and interest of £168,214 (2018 £164,663) is included in creditors at the year end.

Springfield Healthcare (The Grange EBT)

During the year amounts received of £36,469 (2018 £7,572) and paid out of £784 (2018 £49,109) on behalf of Springfield Healthcare (The Grange EBT), a trust in which Springfield Healthcare (The Grange) Limited is a corporate trustee. The EBT does not have its own bank account and all transactions go through the bank account held by Springfield Healthcare (The Grange) Limited. Included in other creditors at the year end is an amount of £20,140 (2018 £15,547 within other debtor) due to Springfield Healthcare (The Grange EBT).

Springfield Healthcare (Seacroft Green) Limited

At the year end a balance was owed to Springfield Healthcare (Seacroft Green) Limited of £8,683 (2018: £5,349) which is included in creditors.

Springfield Healthcare (Chocolate Works) Limited

At the year end a balance was owed to Springfield Healthcare (The Chocolate Works) Limited of £nil (2018: £5,986) which is included in creditors.

20. Controlling party

The ultimate controlling party is SHG (Care Villages) Limited, registered in England and Wales. The registered office is 2 Fusion Court, Aberford Road, Garforth, Leeds, LS25 2GH.