

Company Registration No. 09235946 (England and Wales)

**CHESSEL HOLDINGS LIMITED**  
**(CONSOLIDATION)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**



# CHESEL HOLDINGS LIMITED (CONSOLIDATION)

## COMPANY INFORMATION

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<b>Directors</b>	Dr J H P S Sargent Dr P M Sargent
<b>Company number</b>	09235946
<b>Registered office</b>	The Old Rectory Brighton Alresford Hampshire SO24 9RB
<b>Auditor</b>	Wilkins Kennedy Audit Services Mount Manor House 16 The Mount Guildford Surrey GU2 4HN

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# **CHEssel HOLDINGS LIMITED (CONSOLIDATION)**

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# **CHELSEL HOLDINGS LIMITED (CONSOLIDATION)**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 30 JUNE 2019**

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The directors present the strategic report for the year ended 30 June 2019.

The group consists of three trading companies:

- Nursing Homes Services Limited is a 43 bedded nursing home trading under the name of Westacre Nursing Home, providing care for people with dementia and other age-related illness;

- Pear Tree House Rehabilitation Limited is a 38 bedded rehabilitation centre for clients with acquired brain injuries;

Chessel Support Services Limited has 33 beds in a variety of locations providing supported living for clients with mental health issues.

### **Fair review of the business**

The last twelve months have seen a continuation of the strong financial performance of the group with high levels of demand and higher average bed fees. This is despite the costs associated with the continued program of improvements being implemented at Westacre following the unsatisfactory inspection by the Care Quality Commission in February 2018. These included:

- change of Key Personnel
- adding an experienced Clinical Nurse Lead to oversee the delivery of care
- ensuring that a Clinical Lead is available at all times, including weekends
- recruiting more permanent staff
- increasing the role, scope and frequency of attendance by the internal audit team
- implementing a robust HR response to dealing with staff who do not meet the required standard
- increasing training across the board
- working co-operatively with CCG, Safeguarding and Hampshire Adult Services to oversee and improve standards

A more favourable report was issued in April 2018 as a result of the measures taken. Management has worked hard to restore the group's reputation for providing effective, efficient and knowledgeable care and has secured higher fees per bed along with higher occupancy rates throughout the year.

The group turnover has increased by 6.4% to £8.85m in 2018 from £8.32m in 2017.

Gross Profit also increased by 9.6% to £3.08m from £2.81m in 2017. This resulted in an increase in the gross profit margin from 33.7% in 2017 to 34.7% this year.

Overheads have reduced by 1.2% to £2.38m from £2.41m in 2017 resulting in an increase to Profit Before Taxation of 83.6% to £659K from £359K in 2017.

There has been a continued programme of improvements to the Pear Tree House and Westacre with general refurbishment work being undertaken. The extensive improvements to the buildings have been rewarded with stronger demand and positive feedback from the core client group and their relatives.

### **The business position as at 30 June 2019**

Net assets have increased by 7.8% in the year and cash at bank as well as the net cash position have increased during the year.

### **Other key performance indicators**

Referrals have remained strong with word-of-mouth being the driving force behind demand and improvement in standard of care.

# CHESEL HOLDINGS LIMITED (CONSOLIDATION)

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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### Principal risks and uncertainties

As with any business in the care market, the major risks remain those associated with the need to meet increasingly demanding requirements of legislation, commissioner, service users and their families. The care market is frequently featured in the local and national media and more often than not, such news is in respect of the poor standards of care.

As mentioned above, in February 2018 one of the group companies had an unsatisfactory Care Quality Commission inspection, which continues to result in additional expenditure to redress the situation. Through a combination of new systems, staff training and recruitment the situation has been improved and we anticipate a much improved report following the next inspection.

In addition to the uncertainties associated with these risks, the other main business uncertainties for the group relate to the ability to fill vacancies quickly when they arise and the ability to recruit, train, develop and reward staff of a suitable quality.

Funding remains an ongoing challenge with local authorities and the NHS struggling financially. Despite very strong demand for services, navigating funding issues is becoming ever more time consuming and risky.

Since the year end we have seen the outbreak of Covid-19 bringing about one of the greatest challenges to the group to date. Whilst the funding for our residents remained in place, our greatest risks were ensuring sufficient supplies in food and medical equipment as well as maintaining adequate levels of staffing to meet the residents' care needs.

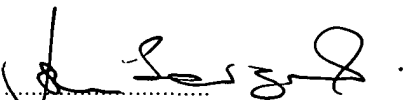
Across the group, we began by stopping visits from relatives and postponing all non-essential work. The use of PPE became mandatory and staff were required to check their temperature before each shift. Staff were also redeployed from other departments to cover those that were off sick or required to self-isolate.

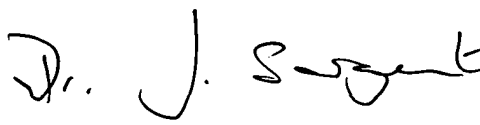
The Directors remain committed to achieving and upholding the very highest standards for clients, their families and staff. This will always be a priority over and above profitability.

### Development and performance

The Directors continue to invest in the property and staff teams to ensure that the highest of standards are maintained and will continue providing efficient, effective services for those who need our care. However, the ever more difficult wider financial environment as well as the ongoing Covid-19 pandemic will continue to be at the forefront of decision making in the future.

On behalf of the board

  
Dr J H P S Sargent  
Director  
26 June 2020

  
Dr J. Sargent  
Director

# CHESEL HOLDINGS LIMITED (CONSOLIDATION)

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 30 JUNE 2019**

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The directors present their annual report and financial statements for the year ended 30 June 2019.

### Principal activities

The principal activity of the company and group continued to be that of the provision of care.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Dr J H P S Sargent

Dr P M Sargent

### Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

### Post reporting date events

Please see note 1.3 and note 25 in respect of events after the balance sheet date.

### Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

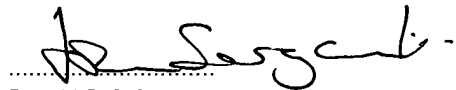
# CHESEL HOLDINGS LIMITED (CONSOLIDATION)

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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On behalf of the board



Dr J H P S Sargent  
Director

Director  
Dr. J. Sargent

Date: 26 June 2020

# CHESEL HOLDINGS LIMITED (CONSOLIDATION)

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF CHESEL HOLDINGS LIMITED (CONSOLIDATION)

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#### Opinion

We have audited the financial statements of Chessel Holdings Limited (Consolidation) (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2019 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, 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 group's and the parent company's affairs as at 30 June 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

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.



# **CHELSEL HOLDINGS LIMITED (CONSOLIDATION)**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF CHELSEL HOLDINGS LIMITED (CONSOLIDATION)**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

# **CHELSEL HOLDINGS LIMITED (CONSOLIDATION)**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF CHELSEL HOLDINGS LIMITED (CONSOLIDATION)**

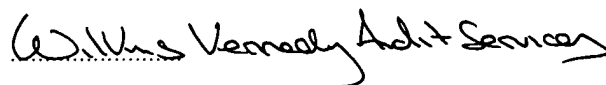
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#### **Use of our report**

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.

**James Leigh (Senior Statutory Auditor)**  
for and on behalf of Wilkins Kennedy Audit Services

**Statutory Auditor**



Wilkins Kennedy Audit Services  
Mount Manor House  
16 The Mount  
Guildford  
Surrey  
GU2 4HN

30 June 2020

# CHESEL HOLDINGS LIMITED (CONSOLIDATION)

## GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 £	2018 £
Turnover	3	8,854,878	8,320,270
Cost of sales		(5,777,820)	(5,513,827)
<b>Gross profit</b>		<b>3,077,058</b>	<b>2,806,443</b>
Administrative expenses		(2,379,836)	(2,408,164)
Other operating income -		-	180
<b>Operating profit</b>	4	<b>697,222</b>	<b>398,459</b>
Interest payable and similar expenses	8	(38,196)	(39,448)
<b>Profit before taxation</b>		<b>659,026</b>	<b>359,011</b>
Tax on profit	9	(134,020)	(137,153)
<b>Profit for the financial year</b>	22	<b>525,006</b>	<b>221,858</b>

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

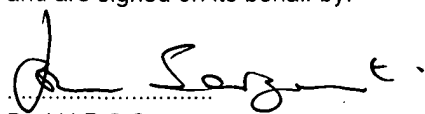
# CHESEL HOLDINGS LIMITED (CONSOLIDATION)

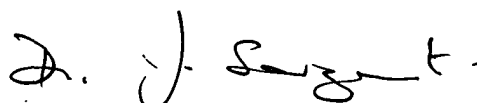
## GROUP BALANCE SHEET

AS AT 30 JUNE 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	11		7,724,898		7,763,643
<b>Current assets</b>					
Debtors	14	879,273		704,750	
Cash at bank and in hand		1,616,430		1,296,134	
		<u>2,495,703</u>		<u>2,000,884</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(2,747,147)</u>		<u>(1,523,985)</u>	
<b>Net current (liabilities)/assets</b>			<u>(251,444)</u>		<u>476,899</u>
<b>Total assets less current liabilities</b>			<u>7,473,454</u>		<u>8,240,542</u>
<b>Creditors: amounts falling due after more than one year</b>	16		-		(1,264,706)
<b>Provisions for liabilities</b>	18		<u>(253,022)</u>		<u>(280,410)</u>
<b>Net assets</b>			<u><u>7,220,432</u></u>		<u><u>6,695,426</u></u>
<b>Capital and reserves</b>					
Called up share capital	20		7,800,048		7,800,048
Other reserves	21		(14,950,044)		(14,950,044)
Profit and loss reserves	22		<u>14,370,428</u>		<u>13,845,422</u>
<b>Total equity</b>			<u><u>7,220,432</u></u>		<u><u>6,695,426</u></u>

The financial statements were approved by the board of directors and authorised for issue on 26 June 2020 and are signed on its behalf by:

  
Dr J H P S Sargent  
Director

  
Director

# CHEssel HOLDINGS LIMITED (CONSOLIDATION)

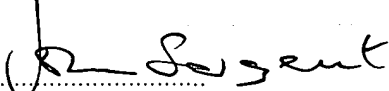
## COMPANY BALANCE SHEET

AS AT 30 JUNE 2019

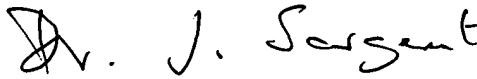
	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Investments	12		7,800,046		7,800,046
<b>Current assets</b>					
Debtors	14	740,376		526,845	
<b>Creditors: amounts falling due within one year</b>	15	(5,531,390)		(5,317,859)	
<b>Net current liabilities</b>			(4,791,014)		(4,791,014)
<b>Total assets less current liabilities</b>			3,009,032		3,009,032
<b>Capital and reserves</b>					
Called up share capital	20		7,800,048		7,800,048
Profit and loss reserves	22		(4,791,016)		(4,791,016)
<b>Total equity</b>			3,009,032		3,009,032

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £0 (2018 - £0 profit).

The financial statements were approved by the board of directors and authorised for issue on 26 June 2020 and are signed on its behalf by:

  
Dr J H P S Sargent  
Director

Company Registration No. 09235946

  
Dr. J. Sargent  
Director

# CHELSEL HOLDINGS LIMITED (CONSOLIDATION)

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Share capital	Other reserves	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 July 2017</b>	7,800,048	(14,950,044)	13,623,564	6,473,568
<b>Year ended 30 June 2018:</b>				
Profit and total comprehensive income for the year	-	-	221,858	221,858
<b>Balance at 30 June 2018</b>	7,800,048	(14,950,044)	13,845,422	6,695,426
<b>Year ended 30 June 2019:</b>				
Profit and total comprehensive income for the year	-	-	525,006	525,006
<b>Balance at 30 June 2019</b>	7,800,048	(14,950,044)	14,370,428	7,220,432

## CHESEL HOLDINGS LIMITED (CONSOLIDATION)

### COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

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	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 July 2017</b>	7,800,048	(4,791,016)	3,009,032
	<hr/>	<hr/>	<hr/>
<b>Year ended 30 June 2018:</b>			
Profit and total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2018</b>	7,800,048	(4,791,016)	3,009,032
	<hr/>	<hr/>	<hr/>
<b>Year ended 30 June 2019:</b>			
Profit and total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2019</b>	<u>7,800,048</u>	<u>(4,791,016)</u>	<u>3,009,032</u>

# CHESEL HOLDINGS LIMITED (CONSOLIDATION)

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	28	1,061,322		721,432	
Interest paid		(38,196)		(39,448)	
Income taxes paid		(119,082)		(236,483)	
<b>Net cash inflow from operating activities</b>		<u>904,044</u>		<u>445,501</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(366,366)		(316,433)	
Proceeds on disposal of tangible fixed assets		-		3,999	
<b>Net cash used in investing activities</b>		<u>(366,366)</u>		<u>(312,434)</u>	
<b>Financing activities</b>					
Repayment of bank loans		(215,912)		(212,835)	
<b>Net cash used in financing activities</b>		<u>(215,912)</u>		<u>(212,835)</u>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		321,766		(79,768)	
Cash and cash equivalents at beginning of year		794,999		874,767	
<b>Cash and cash equivalents at end of year</b>		<u><u>1,116,765</u></u>		<u><u>794,999</u></u>	
<b>Relating to:</b>					
Cash at bank and in hand		1,616,430		1,296,134	
Bank overdrafts included in creditors payable within one year		(499,665)		(501,135)	



# CHELSEL HOLDINGS LIMITED (CONSOLIDATION)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

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### 1 Accounting policies

#### Company information

Chessel Holdings Limited (Consolidation) ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is The Old Rectory, Bighton, Alresford, Hampshire, SO24 9RB.

The group consists of Chessel Holdings Limited (Consolidation) and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of exemption, under the terms of the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

#### 1.2 Basis of consolidation

Prior year business combinations have been accounted for using merger accounting.

# CHESEL HOLDINGS LIMITED (CONSOLIDATION)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Chessel Holdings Limited (Consolidation) and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). There have been no acquisitions or disposals of subsidiaries during the year.

All financial statements are made up to 30 June 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### 1.3 Going concern

At the time of approving the group financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future

In arriving at this assessment, the directors have prepared detailed financial projections to June 2021 factoring in the potential financial impact of the ongoing Covid-19 pandemic. Despite the unsatisfactory Care Quality Commission report, occupancy levels across the group remain stable as well as maintaining staff staffing levels and adequate supply chains. Although it is difficult to evaluate all of the potential implications on the group and the wider economy.

The directors have confirmed their willingness to support the group and provide the necessary funding to enable it to meet its liabilities as they fall due and return the group to the very highest standard of care as a priority.

After considering the above matters and current trading, the directors believe that the group will have adequate resources to meet its liabilities as they fall due and so to operate as a going concern for at least twelve months following the date of approval of these financial statements. The directors therefore consider it appropriate to continue to apply the going concern basis for preparing the financial statements.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business.

Turnover represents the value of services supplied to residents during the year and it is recognised when the services have been delivered.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	2% on cost
Improvements to property	10% on cost
Fixtures and fittings	25% on reducing balance and 10% on cost
Motor vehicles	25% on reducing balance

Freehold land and assets in the course of construction are not depreciated.

# CHESEL HOLDINGS LIMITED (CONSOLIDATION)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

---

### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.6 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

#### 1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# CHESEL HOLDINGS LIMITED (CONSOLIDATION)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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### 1 Accounting policies

(Continued)

#### 1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of 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 group after deducting all of its liabilities.

# CHELSEL HOLDINGS LIMITED (CONSOLIDATION)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# CHESEL HOLDINGS LIMITED (CONSOLIDATION)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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### 1 Accounting policies

(Continued)

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.13 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

# CHEssel HOLDINGS LIMITED (CONSOLIDATION)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

- Determining whether there are indicators of impairment of the company's tangible assets.

Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

The directors do not believe there are any other key judgements or estimations used in preparing these financial statements.

### 3 Turnover and other revenue

	2019 £	2018 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	8,854,878	8,320,270

### 4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	356,259	357,869
Loss/(profit) on disposal of tangible fixed assets	48,852	(573)
Operating lease charges	42,959	43,404

### 5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	6,075	7,450
Audit of the financial statements of the company's subsidiaries	28,500	35,050
	34,575	42,500

# CHEssel HOLDINGS LIMITED (CONSOLIDATION)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Directors	2	2	2	2
Management, administrative & care staff	218	220	-	-
	<u>220</u>	<u>222</u>	<u>2</u>	<u>2</u>

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	4,582,552	4,289,575	-	-
Social security costs	378,989	345,293	-	-
Pension costs	57,013	26,562	-	-
	<u>5,018,554</u>	<u>4,661,430</u>	<u>-</u>	<u>-</u>

### 7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	<u>82,800</u>	<u>82,401</u>

### 8 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and loans	18,393	18,995
Other interest	19,803	20,453
Total finance costs	<u>38,196</u>	<u>39,448</u>

### 9 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	161,408	92,715
Adjustments in respect of prior periods	-	11,962
UK income tax	-	(7)
Total current tax	<u>161,408</u>	<u>104,670</u>



# CHEssel HOLDINGS LIMITED (CONSOLIDATION)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 9 Taxation

(Continued)

	2019 £	2018 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	(27,388)	32,483
	<u>          </u>	<u>          </u>
 Total tax charge	 134,020	 137,153
	<u>          </u>	<u>          </u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	659,026	359,011
	<u>          </u>	<u>          </u>
 Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	125,215	68,212
Tax effect of expenses that are not deductible in determining taxable profit	14,447	57
Tax effect of income not taxable in determining taxable profit	-	(287)
Adjustments in respect of prior years	-	11,962
Group relief	6	-
Permanent capital allowances in excess of depreciation	22,195	25,238
Other non-reversing timing differences	(455)	(512)
Deferred tax adjustments in respect of prior years	(27,388)	32,483
	<u>          </u>	<u>          </u>
Taxation charge	134,020	137,153
	<u>          </u>	<u>          </u>

### 10 Individual statement of comprehensive income

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

# CHEssel HOLDINGS LIMITED (CONSOLIDATION)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 11 Tangible fixed assets

Group	Freehold property £	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 July 2018	9,062,897	466,149	3,062,262	66,794	12,658,102
Additions	200,857	31,263	124,986	9,260	366,366
Disposals	-	-	(878,476)	-	(878,476)
At 30 June 2019	9,263,754	497,412	2,308,772	76,054	12,145,992
<b>Depreciation and impairment</b>					
At 1 July 2018	2,152,983	108,405	2,592,906	40,165	4,894,459
Depreciation charged in the year	182,504	44,801	119,418	9,536	356,259
Eliminated in respect of disposals	-	-	(829,624)	-	(829,624)
At 30 June 2019	2,335,487	153,206	1,882,700	49,701	4,421,094
<b>Carrying amount</b>					
At 30 June 2019	6,928,267	344,206	426,072	26,353	7,724,898
At 30 June 2018	6,909,914	357,744	469,356	26,629	7,763,643

The company had no tangible fixed assets at 30 June 2019 or 30 June 2018.

### 12 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	13	-	-	7,800,046	7,800,046

#### Movements in fixed asset investments

Company	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 July 2018 and 30 June 2019	7,800,046
<b>Carrying amount</b>	
At 30 June 2019	7,800,046
At 30 June 2018	7,800,046

## CHESEL HOLDINGS LIMITED (CONSOLIDATION)

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

#### 13 Subsidiaries

Details of the company's subsidiaries at 30 June 2019 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Pear Tree House Rehabilitation Limited	8a Peartree Avenue, Butterne, Southampton, Hampshire, SO19 7JP	Ordinary	-	100.00
Nursing Home Services Limited	Westacre Nursing Home, Sleepers Hill, Winchester, Hampshire, SO22 4NE	Ordinary	-	100.00
Chessel Support Services Limited	The Old Rectory, Bighton, Alresford, Hampshire, SO24 9RB	Ordinary	-	100.00
Westacre Disability Services Limited	The Old Rectory, Bighton, Alresford, Hampshire, SO24 9RB	Ordinary	-	100.00
Medical Screening Services Limited	The Old Rectory, Bighton, Alresford, Hampshire, SO24 9RB	Ordinary	100.00	-

# CHELSEL HOLDINGS LIMITED (CONSOLIDATION)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 14 Debtors

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	668,449	488,638	-	-
Amounts owed by group undertakings	-	-	740,374	526,843
Other debtors	16,752	22,294	2	2
Prepayments and accrued income	194,072	193,818	-	-
	<u>879,273</u>	<u>704,750</u>	<u>740,376</u>	<u>526,845</u>

### 15 Creditors: amounts falling due within one year

	Notes	Group 2019	2018	Company 2019	2018
		£	£	£	£
Bank loans and overdrafts	17	1,788,721	741,397	-	-
Trade creditors		224,613	175,491	-	-
Amounts owed to group undertakings		-	-	5,531,390	5,317,859
Corporation tax payable		88,018	45,692	-	-
Other taxation and social security		105,826	111,550	-	-
Other creditors		60,356	75,277	-	-
Accruals and deferred income		479,613	374,578	-	-
		<u>2,747,147</u>	<u>1,523,985</u>	<u>5,531,390</u>	<u>5,317,859</u>

### 16 Creditors: amounts falling due after more than one year

	Notes	Group 2019	2018	Company 2019	2018
		£	£	£	£
Bank loans and overdrafts	17	-	1,264,706	-	-

### 17 Loans and overdrafts

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Bank loans	1,289,056	1,504,968	-	-
Bank overdrafts	499,665	501,136	-	-
	<u>1,788,721</u>	<u>2,006,104</u>	<u>-</u>	<u>-</u>
Payable within one year	1,788,721	741,397	-	-
Payable after one year	-	1,264,706	-	-

# CHEssel HOLDINGS LIMITED (CONSOLIDATION)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 17 Loans and overdrafts

(Continued)

The bank loan is secured by an unlimited debenture. Cross guarantees have also been provided by the following subsidiaries:

- An unlimited guarantee from Pear Tree House Rehabilitation Limited
- An unlimited guarantee from Chessel Support Services Limited
- An unlimited guarantee from Nursing Home Services Limited

The group also has an overdraft facility secured by a Composite Accounting Agreement, which allows set-off for interest purposes and where each of the subsidiaries had provided a guarantee. The net cash balance of the group as at 30 June 2019 is £1,117,000 (2018- £795,000)

### 18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2019 £	Liabilities 2018 £
<b>Group</b>		
Accelerated capital allowances	249,727	280,410
<i>Statutory database figures differ from the trial balance:</i>		
Deferred tax balances	253,022	280,410
Difference	(3,295)	-

The company has no deferred tax assets or liabilities.

	Group 2019 £	Company 2019 £
<b>Movements in the year:</b>		
Liability at 1 July 2018	280,410	-
Credit to profit or loss	(30,683)	-
Liability at 30 June 2019	249,727	-
<b>Balance per TB</b>	253,022	-
<b>Warning - Difference exists; check stat db entries</b>	3,295	-

The deferred taxation liability may not reverse within 12 months and relates to accelerated capital allowances of £249,727 (2018 - £280,410) that are expected to mature within the same period.

### 19 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	57,013	23,642

# CHEssel HOLDINGS LIMITED (CONSOLIDATION)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 19 Retirement benefit schemes

(Continued)

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

At the year end amounts outstanding in respect of the scheme were £18,456 (2018 - £17,276).

### 20 Share capital

	Group and company	
	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
7,800,048 Ordinary shares of £1 each	7,800,048	7,800,048

Each share carries full voting, dividend and capital distribution rights.

### 21 Other reserves

Group	£
At 1 July 2017	(14,950,044)
At 30 June 2018	(14,950,044)
At 30 June 2019	(14,950,044)
Company	£
At the beginning of the prior year	-
At the end of the prior year	-
At the end of the current year	-

The other reserve arose following the group reconstruction in the year ended 30 June 2015. The amount represents the difference between the nominal value of shares issued by Chessel Holdings Limited, and the nominal value of the shares received in exchange.

# CHEssel HOLDINGS LIMITED (CONSOLIDATION)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 22 Profit and loss reserves

	Group 2019 £	2018 £	Company 2019 £	2018 £
At the beginning of the year	13,845,422	13,623,564	(4,791,016)	(4,791,016)
Profit for the year	525,006	221,858	-	-
At the end of the year	<u>14,370,428</u>	<u>13,845,422</u>	<u>(4,791,016)</u>	<u>(4,791,016)</u>

### 23 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Within one year	43,605	47,382	-	-
Between two and five years	29,011	55,582	-	-
	<u>72,616</u>	<u>102,964</u>	<u>-</u>	<u>-</u>

### 24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Acquisition of tangible fixed assets	<u>4,187</u>	<u>12,148</u>	<u>-</u>	<u>-</u>

### 25 Events after the reporting date

In 2020 the world was shaken with the onset of COVID-19. The directors have assessed the operational and financial impact on the group in note 1.3 to the financial statements.

# CHEssel HOLDINGS LIMITED (CONSOLIDATION)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 26 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	460,474	471,380

### 27 Directors' transactions

As at 30 June 2019 the directors owed the group £6,674 (2018 - £11,461). This amount is included within debtors due within one year and was repaid after the year-end. No interest is charged on the balance.

During the year, assets costing £11,900 (2018 - £nil) were purchased by the company from a director.

### 28 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	525,006	221,858
<b>Adjustments for:</b>		
Taxation charged	134,020	137,153
Finance costs	38,196	39,448
Loss/(gain) on disposal of tangible fixed assets	48,852	(573)
Depreciation and impairment of tangible fixed assets	356,259	357,869
<b>Movements in working capital:</b>		
(Increase)/decrease in debtors	(174,523)	64,257
Increase/(decrease) in creditors	133,512	(98,580)
<b>Cash generated from operations</b>	<b>1,061,322</b>	<b>721,432</b>

### 29 Analysis of changes in net debt - group

	1 July 2018 £	Cash flows £	30 June 2019 £
Cash at bank and in hand	1,296,135	320,295	1,616,430
Bank overdrafts	(501,136)	1,471	(499,665)
	794,999	321,766	1,116,765
Borrowings excluding overdrafts	(1,504,968)	215,912	(1,289,056)
	(709,969)	537,678	(172,291)