

Registration number: 09688476

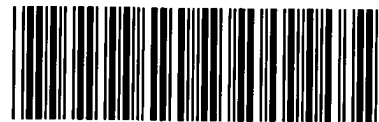
Mysing Care Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 March 2019

Murray Harcourt Limited
6 Queen Street
Leeds
LS1 2TW

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Mysing Care Limited

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Mysing Care Limited

Company Information

Directors

S Turner

M J Ferguson

I Kimberley

J Coxon

J Higgins

Registered office

9 Fryers Way

Ossett

Wakefield

West Yorkshire

WF5 9TJ

Auditors

Murray Harcourt Limited

6 Queen Street

Leeds

LS1 2TW

Mysing Care Limited

Strategic Report for the Year Ended 31 March 2019

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

Principal activity and review of the business

The principal activity of the Company is that of a holding company.

The principal activity of the Group is the operation of nursing homes for the elderly, providing personal and nursing care.

Key performance indicators are considered to be turnover and profit before tax as disclosed in the Consolidated Statement of Comprehensive Income.

Future developments

Management plan to develop the care homes at Hoar Cross and Prospect House in line with the approved planning permission, and to acquire other high calibre care homes in the UK.

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Group are considered to relate to the continued provision of adequate government funding and the ongoing compliance with current and future legislation affecting the sector.

Approved by the Board on 9/12/19 and signed on its behalf by:

.....
J Higgins
Director

Mysing Care Limited

Directors' Report for the Year Ended 31 March 2019

The Directors present their report and the audited financial statements for the year ended 31 March 2019.

Directors

The Directors who held office during the year were as follows:

S Turner

M J Ferguson

I Kimberley

J Coxon

J Higgins

Dividends

Details of dividends paid in the year are disclosed in note 21. The Directors do not recommend payment of a final dividend.

Financial instruments

Objectives and policies

The directors constantly monitor the Group's trading results and revise projections as appropriate to ensure that the Group can meet its future obligations as they fall due.

Price risk, credit risk, liquidity risk and cash flow risk

The Group is exposed to the usual credit and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that price and liquidity risks are minimised by the predetermination of the group funding facilities and terms.

Strategic report

In accordance with section 414C(11) of the Companies act 2006 (Strategic Report and Directors Report) Regulations 2013, the Company has prepared a Strategic Report, which includes information that would have previously been included in the Director's Report.

Disclosure of information to the auditor

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 31/3/19 and signed on its behalf by:

.....
J Higgins
Director



Mysing Care Limited

Statement of Directors' Responsibilities

The Directors acknowledge their responsibilities 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 the 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 apply them consistently;
- make judgements 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 Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Mysing Care Limited

Independent Auditor's Report to the Members of Mysing Care Limited

Opinion

We have audited the financial statements of Mysing Care Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2019, which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 March 2019 and of the Group's loss 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 Group 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.

However, it is not possible to predict with certainty the potential impact of future developments in both the company's trading environment or in the broader economy. Because of this, the above statements should not be interpreted as a guarantee that the company will continue to operate as a going concern.

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.

Mysing Care Limited

Independent Auditor's Report to the Members of Mysing Care Limited

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

However, it is not possible to predict with certainty the potential impact of future developments in both the company's trading environment or in the broader economy. Because of this, the above statements should not be interpreted as a guarantee that the company will continue to operate as a going concern.

Matters on which we are required to report by exception

In the light of our 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 Statement of Directors' Responsibilities set out on page 4, 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.

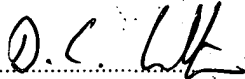
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Mysing Care Limited

Independent Auditor's Report to the Members of Mysing Care Limited

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.



David Caseldine FCA (Senior Statutory Auditor)
For and on behalf of Murray Harcourt Limited, Statutory Auditor

6 Queen Street
Leeds
LS1 2TW

Date: 10/12/19

Mysing Care Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 March 2019

	Note	Year ended 31 March 2019 £	8 months ended 31 March 2018 £
Turnover	3	5,516,945	3,567,378
Cost of sales		<u>(3,498,989)</u>	<u>(2,366,671)</u>
Gross profit		2,017,956	1,200,707
Administrative expenses		(1,496,197)	(630,630)
Other operating income		<u>312</u>	<u>912</u>
Operating profit	5	522,071	570,989
Interest payable and similar expenses	6	<u>(512,136)</u>	<u>(330,121)</u>
Profit before tax		9,935	240,868
Taxation	10	<u>(59,296)</u>	<u>(84,311)</u>
Total comprehensive income for the financial year/period		<u>(49,361)</u>	<u>156,557</u>

The notes on pages 14 to 28 form an integral part of these financial statements.

Mysing Care Limited

(Registration number: 09688476)

Consolidated Balance Sheet as at 31 March 2019

	Note	31 March 2019 £	31 March 2018 £
Fixed assets			
Intangible assets	11	4,668,044	4,929,044
Tangible assets	12	7,439,194	7,157,170
		<u>12,107,238</u>	<u>12,086,214</u>
Current assets			
Stocks	14	2,500	2,500
Debtors	15	335,139	195,782
Cash at bank and in hand		554,207	1,012,921
		<u>891,846</u>	<u>1,211,203</u>
Creditors: Amounts falling due within one year	16	<u>(986,931)</u>	<u>(849,813)</u>
Net current (liabilities)/assets		<u>(95,085)</u>	<u>361,390</u>
Total assets less current liabilities		12,012,153	12,447,604
Creditors: Amounts falling due after more than one year	16	(11,469,864)	(11,776,697)
Provisions for liabilities	17	<u>(201,496)</u>	<u>(208,803)</u>
Net assets		<u>340,793</u>	<u>462,104</u>
Capital and reserves			
Called up share capital	19	450	400
Profit and loss account		<u>340,343</u>	<u>461,704</u>
Total equity		<u>340,793</u>	<u>462,104</u>

Approved and authorised by the Board on 9/12/19 and signed on its behalf by:

.....
J Higgins
Director

The notes on pages 14 to 28 form an integral part of these financial statements.

Mysing Care Limited

(Registration number: 09688476)
Balance Sheet as at 31 March 2019

	Note	31 March 2019 £	31 March 2018 £
Fixed assets			
Tangible assets	12	2,542	600
Investments	13	11,413,695	11,413,695
		<u>11,416,237</u>	<u>11,414,295</u>
Current assets			
Debtors	15	556,379	705,448
Cash at bank and in hand		158,606	224,357
		<u>714,985</u>	<u>929,805</u>
Creditors: Amounts falling due within one year	16	<u>(356,790)</u>	<u>(353,126)</u>
Net current assets		<u>358,195</u>	<u>576,679</u>
Total assets less current liabilities		11,774,432	11,990,974
Creditors: Amounts falling due after more than one year	16	(11,559,864)	(11,776,697)
Provisions for liabilities	17	<u>(432)</u>	<u>-</u>
Net assets		<u>214,136</u>	<u>214,277</u>
Capital and reserves			
Called up share capital	19	450	400
Profit and loss account		<u>213,686</u>	<u>213,877</u>
Total equity		<u>214,136</u>	<u>214,277</u>

The Company made a profit after tax for the financial year of £71,809 (2018 - profit for the year of £51,181).

Approved and authorised by the Board on 9/12/19 and signed on its behalf by:

.....
J Higgins
Director

The notes on pages 14 to 28 form an integral part of these financial statements.

Mysing Care Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 March 2019

	Share capital £	Profit and loss account £	Total £
At 1 April 2018	400	461,704	462,104
Total comprehensive income	-	(49,361)	(49,361)
Dividends	-	(72,000)	(72,000)
New share capital subscribed	50	-	50
At 31 March 2019	450	340,343	340,793

	Share capital £	Profit and loss account £	Total £
At 1 August 2017	400	345,147	345,547
Total comprehensive income	-	156,557	156,557
Dividends	-	(40,000)	(40,000)
At 31 March 2018	400	461,704	462,104

The notes on pages 14 to 28 form an integral part of these financial statements.

Mysing Care Limited

Statement of Changes in Equity for the Year Ended 31 March 2019

	Share capital £	Profit and loss account £	Total £
At 1 April 2018	400	213,877	214,277
Total comprehensive income	-	71,809	71,809
Dividends	-	(72,000)	(72,000)
New share capital subscribed	50	-	50
At 31 March 2019	450	213,686	214,136

	Share capital £	Profit and loss account £	Total £
At 1 August 2017	400	202,696	203,096
Total comprehensive income	-	51,181	51,181
Dividends	-	(40,000)	(40,000)
At 31 March 2018	400	213,877	214,277

The notes on pages 14 to 28 form an integral part of these financial statements.

Mysing Care Limited

Consolidated Statement of Cash Flows for the Year Ended 31 March 2019

	Year ended 31 March 2019 £	8 months ended 31 March 2018 £
Cash flows from operating activities		
(Loss)/profit for the year/period	(49,361)	156,557
Adjustments to cash flows from non-cash items		
Depreciation and amortisation	472,637	307,743
Profit on disposal of tangible assets	(1,235)	-
Finance costs	512,136	330,121
Income tax expense	59,296	84,311
	<u>993,473</u>	<u>878,732</u>
Working capital adjustments:		
(Increase)/decrease in debtors	(139,307)	471,777
Increase/(decrease) in creditors	<u>279,263</u>	<u>(342,790)</u>
Cash generated from operations	1,133,429	1,007,719
Income taxes paid	<u>(208,748)</u>	<u>(154,659)</u>
Net cash flow from operating activities	<u>924,681</u>	<u>853,060</u>
Cash flows from investing activities		
Acquisitions of tangible assets	(497,711)	(123,951)
Proceeds from sale of tangible assets	<u>5,285</u>	<u>-</u>
Net cash flows from investing activities	<u>(492,426)</u>	<u>(123,951)</u>
Cash flows from financing activities		
Interest paid	(512,136)	(330,121)
Repayment of bank borrowing	(398,000)	(153,633)
Dividends paid	(72,000)	(40,000)
Loan from related party	<u>91,167</u>	<u>-</u>
Net cash flows from financing activities	<u>(890,969)</u>	<u>(523,754)</u>
Net (decrease)/increase in cash and cash equivalents	(458,714)	205,355
Cash and cash equivalents at start of year/period	<u>1,012,921</u>	<u>807,566</u>
Cash and cash equivalents at end of year/period	<u>554,207</u>	<u>1,012,921</u>

The notes on pages 14 to 28 form an integral part of these financial statements.

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

1 General information

The Company is a company limited by shares and incorporated in England and Wales. Details of the registered office are shown on page 1.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention as modified by the revaluation of certain items set out below and in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Summary of disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has taken advantage of the following available exemptions:

- the requirement to prepare a statement of cash flows;
- financial instruments disclosures, including categories of financial instruments; and
- the disclosure of key management personnel remuneration in total.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 March 2019.

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

The results of subsidiaries acquired or disposed of during the year are included in Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full. Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

2 Accounting policies (continued)

Judgements

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed under "Key sources of estimation uncertainty" below.

Key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The directors do not consider that any estimates or judgements have a material degree of judgement or uncertainty.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Group's activities. Turnover is shown net of value added tax, rebates and discounts and is recognised in the period to which the income relates. The Group recognises revenue when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the entity.

Tax

Current income tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the Group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tangible assets

Tangible assets are stated at cost, less any subsequent accumulated depreciation and impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

2 Accounting policies (continued)

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land	Nil
Freehold property	2% straight line
Fixtures and fittings	25% reducing balance / 10% straight line
Plant and machinery	33% straight line
Motor vehicles	33% straight line

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the Group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Intangible assets

As a result of the early adoption of the triennial review amendments to FRS102 in the prior period, the Directors opted not to recognise customer-related intangible assets acquired in a business combination separately on acquisitions from the prior period onwards, and they will therefore be subsumed within goodwill. Customer relationship assets recognised in prior periods will continue to be recognised and amortised over the useful life set out below.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	5% straight line
Customer relationships	over 10 months

Investments

Investments in subsidiaries are stated at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

2 Accounting policies (continued)

Debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to sell.

Creditors

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to profit and loss over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement. Equity instruments are those that entitle the holder to a residual interest in the Company's assets after deducting all of its liabilities.

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

3 Turnover

All of the Group's turnover is from continuing operations arising in the UK and relates to the provision of services.

4 Other operating income

The analysis of the group's other operating income is as follows:

	Year ended 31 March 2019 £	8 months ended 31 March 2018 £
Rent receivable	312	912

5 Operating profit

Arrived at after charging/(crediting):

	Year ended 31 March 2019 £	8 months ended 31 March 2018 £
Depreciation expense	211,637	133,743
Amortisation expense	261,000	174,000
Operating lease expense - plant and machinery	962	860
Profit on disposal of property, plant and equipment	(1,235)	-

6 Interest payable and similar expenses

	Year ended 31 March 2019 £	8 months ended 31 March 2018 £
Interest on bank overdrafts and borrowings	147,070	86,067
Interest expense on other finance liabilities	365,066	244,054
	512,136	330,121

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	Year ended 31 March 2019 £	8 months ended 31 March 2018 £
Wages and salaries	2,919,742	1,658,189
Social security costs	271,100	260,783
Pension costs, defined contribution scheme	39,064	12,974
	<u>3,229,906</u>	<u>1,931,946</u>

The average number of persons employed by the group (including directors), analysed by category was as follows:

	Year ended 31 March 2019 No.	8 months ended 31 March 2018 No.
Administration	8	17
Nursing	172	172
	<u>180</u>	<u>189</u>

8 Directors' remuneration

The directors' remuneration was as follows:

	Year ended 31 March 2019 £	8 months ended 31 March 2018 £
Remuneration	84,790	95,032
Contributions paid to money purchase schemes	48	-
	<u>84,838</u>	<u>95,032</u>

The number of directors who were receiving benefits and share incentives was as follows:

	Year ended 31 March 2019 No.	8 months ended 31 March 2018 No.
Accruing benefits under money purchase pension scheme	1	1

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

9 Auditors' remuneration

	Year ended 31 March 2019 £	8 months ended 31 March 2018 £
Audit of these financial statements	13,340	8,400

10 Taxation

Tax charged/(credited) in the income statement:

	Year ended 31 March 2019 £	8 months ended 31 March 2018 £
Current taxation		
UK corporation tax	67,400	96,088
UK corporation tax adjustment to prior periods	(797)	41
	<u>66,603</u>	<u>96,129</u>
Deferred taxation		
Arising from origination and reversal of timing differences	(7,307)	(11,578)
Arising from changes in tax rates and laws	-	(240)
	<u>(7,307)</u>	<u>(11,818)</u>
Total deferred taxation	<u>(7,307)</u>	<u>(11,818)</u>
Tax expense in the income statement	<u>59,296</u>	<u>84,311</u>

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

10 Taxation (continued)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK of 19% (2018 - higher than the standard rate of 19%).

The differences are reconciled below:

	Year ended 31 March 2019 £	8 months ended 31 March 2018 £
Profit before tax	9,935	240,868
Corporation tax at standard rate	1,888	45,765
Deferred tax credit relating to changes in tax rates or laws	(23,707)	(240)
Depreciation of non qualifying assets	21,211	15,113
Amortisation of intangibles	49,590	33,060
Current tax adjustment for prior periods	(797)	41
Other	11,111	(9,428)
Total tax charge	59,296	84,311

Legislation was introduced in the Finance Act 2016 to reduce the rate of corporation tax to 17% with effect from 1 April 2020.

Deferred tax has been provided at 19% on liabilities and assets expected to reverse before 1 April 2020, and at 17% thereafter.

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

11 Intangible assets

Group

	Goodwill £	Customer relationships £	Total £
Cost			
At 1st April 2018	5,357,804	134,000	5,491,804
Amortisation			
At 1 April 2018	428,760	134,000	562,760
Amortisation charge	261,000	-	261,000
At 31 March 2019	689,760	134,000	823,760
Carrying amount			
At 31 March 2019	4,668,044	-	4,668,044
At 31 March 2018	4,929,044	-	4,929,044

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

12 Tangible assets

Group

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Properties under construction £	Total £
Cost or valuation					
At 1 April 2018	7,000,000	293,823	36,386	142,937	7,473,146
Additions	-	147,118	-	350,593	497,711
Disposals	-	-	(9,529)	-	(9,529)
At 31 March 2019	7,000,000	440,941	26,857	493,530	7,961,328
Depreciation					
At 1 April 2018	187,750	123,434	4,792	-	315,976
Charge for the year	114,000	90,157	7,480	-	211,637
Eliminated on disposal	-	-	(5,479)	-	(5,479)
At 31 March 2019	301,750	213,591	6,793	-	522,134
Carrying amount					
At 31 March 2019	6,698,250	227,350	20,064	493,530	7,439,194
At 31 March 2018	6,812,250	170,389	31,594	142,937	7,157,170

Included within the net book value of land and buildings above is £6,698,250 (2018 - £6,812,250) in respect of freehold land and buildings.

Company

	Computer equipment £
Cost	
At 1 April 2018	600
Additions	2,445
At 31 March 2019	3,045
Amortisation	
At 1 April 2018	-
Charge for the year	503
At 31 March 2019	503
Carrying amount	
At 31 March 2019	2,542
At 31 March 2018	600

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

13 Investments

Company

	2019 £	2018 £
Investments in subsidiaries	11,413,695	11,413,695

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Hoar Cross Care Limited	9 Silkwood Business Park Fryers Way Ossett WF5 9TJ England and Wales	Ordinary	100%	100%
Perago Limited	As above	Ordinary	100%	100%
Prospect House (Malpas) Limited	As above	Ordinary	100%	100%

All the above subsidiaries are included in consolidation. The Company's investments in Prospect House Limited and Perago Limited are direct ownership. Hoar Cross Care Limited is indirect ownership.

The principal activity of Hoar Cross Care Limited is that of a nursing home for the elderly.

The principal activity of Perago Limited is that of a holding company.

The principal activity of Prospect House (Malpas) Limited is that of a nursing home for the elderly.

14 Stocks

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Stock	2,500	2,500	-	-

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

15 Debtors

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	251,552	117,527	141,000	-
Amounts owed by related parties	-	-	415,000	705,000
Other debtors	33,731	35,405	50	-
Prepayments	49,856	42,850	329	448
	<u>335,139</u>	<u>195,782</u>	<u>556,379</u>	<u>705,448</u>

16 Creditors

		Group		Company	
	Note	2019 £	2018 £	2019 £	2018 £
Due within one year					
Loans and borrowings	20	308,300	308,300	308,300	308,300
Trade creditors		248,988	95,055	6,576	6,440
Amounts due to group undertakings		-	-	-	10,000
Social security and other taxes		40,711	56,190	6,070	5,962
Outstanding defined contribution pension costs		3,463	-	755	-
Other payables		210,769	111,781	-	-
Accrued expenses		107,866	69,508	35,089	22,424
Income tax liability		66,834	208,979	-	-
		<u>986,931</u>	<u>849,813</u>	<u>356,790</u>	<u>353,126</u>
Due after one year					
Loans and borrowings		11,469,864	11,776,697	11,559,864	11,776,697

17 Deferred tax and other provisions

Group

	Deferred tax £	Total £
At 1 April 2018	208,803	208,803
Decrease in provisions	(7,307)	(7,307)
At 31 March 2019	201,496	201,496

Company

	Deferred tax £	Total £
At 1 April 2018	-	-
Increase in provisions	432	432
At 31 March 2019	432	432

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

18 Pension and other schemes

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £39,064 (2018 - £12,974).

Contributions totalling £3,463 (2018 - £2,243) were payable to the scheme at the end of the year and are included in creditors.

19 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	-	-	400	400
A Ordinary Shares of £1 (2018 - £0) each	400	400	-	-
B Ordinary Shares of £1 (2018 - £0) each	40	40	-	-
C Ordinary Shares of £1 (2018 - £0) each	10	10	-	-
	<u>450</u>	<u>450</u>	<u>400</u>	<u>400</u>

On 29 March 2019, the existing Ordinary Shares of £1 each were redesignated as A Ordinary Shares of £1 each. On the same date, 40 B Ordinary Shares of £1 each and 10 C Ordinary Shares of £1 each were issued for cash consideration.

Until 29 March 2027, only the holders of A Ordinary Shares are entitled to dividend distributions, pro rata to the number of shares held. Following 29 March 2027, dividends will be paid pro rata to the holders of all classes of share, as if there was only one class of share in issue, although the directors may also elect to pay different amounts per share to the holders of different classes of share.

On a share sale, listing or return of assets to shareholders, the proceeds will be applied:

- Firstly to repay the price paid on issue of the shares to the holders of A Ordinary Shares;
- Secondly up to a value of £250,000, to be paid pro rata to the holders of A Ordinary Shares;
- Thirdly to repay the price paid on issue of the shares to the holders of B and C Ordinary Shares;
- Finally to be allocated to all shareholders pro rata to the number of shares held, as if there was only one class of share in issue

There are no differences in voting rights between the different classes of share.

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

20 Loans and borrowings

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Current loans and borrowings				
Bank borrowings	308,300	308,300	308,300	308,300

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Non-current loans and borrowings				
Bank borrowings	5,128,697	5,526,697	5,218,697	5,526,697
Other borrowings (note 24)	6,341,167	6,250,000	6,341,167	6,250,000
	<u>11,469,864</u>	<u>11,776,697</u>	<u>11,559,864</u>	<u>11,776,697</u>

Group

Bank borrowings

The bank loan is secured by a first legal charge over all assets of the Group, and by an intercompany guarantee with other group companies for £5,537,000.

Interest is charged at LIBOR plus 1.75%, and repayments are quarterly £78,000 with a final payment of £4.75m due in August 2021.

21 Dividends

During the period, the Company paid dividends of £72,000 (2018 - £40,000). The directors do not propose a final dividend.

22 Net debt reconciliation

	At 1 April 2018 £	Cash flow £	At 31 March 2019 £
Cash at bank and in hand	1,012,921	(458,714)	554,207
Bank borrowings due within one year	(308,300)	-	(308,300)
Bank borrowings due after one year	(5,526,697)	398,000	(5,128,697)
Other borrowings	(6,250,000)	(91,167)	(6,341,167)
	<u>(11,072,076)</u>	<u>(151,881)</u>	<u>(11,223,957)</u>

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

23 Contingent liabilities and commitments

Company

The Company is bound by an intra-group guarantee in respect of bank loans with other members of the group. The amount guaranteed as at 31 March 2019 is £5,537,000 (31 March 2018 - £5,849,000).

Group

The total amount of financial commitments not included in the balance sheet is £411,000 (2018 - £Nil). At the end of the year the group had outstanding commitments in relation to construction work.

24 Related party transactions

During the year the Group received loans from Mysing Capital Limited, a company under common control. Interest is payable on the loan at 6% per annum, and all of the loan is repayable after more than five years, and not by instalments. As at 31 March 2018 the amount owed to Mysing Capital Limited was £6,341,167.

The Company has taken the exemption set-out in FRS 102 from disclosing transactions with wholly owned group members.

Key management personnel

Key management personnel comprises the Directors of the Group. The Directors received remuneration in the period as disclosed in Note 8.

25 Financial instruments

Group

Categorisation of financial instruments

	31 March 2019 £	31 March 2018 £
Financial assets measured at amortised cost	839,492	152,932
Financial liabilities measured at amortised cost	(12,303,275)	(12,609,714)

26 Control

The Group is under the control of the directors.