

Registration number: 09688476

Mysing Care Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 July 2017

Murray Harcourt Limited
Elizabeth House
13-19 Queen Street
Leeds
West Yorkshire
LS1 2TW

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Mysing Care Limited

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Mysing Care Limited

Company Information

Directors

J Higgins

M J Ferguson

I Kimberley

J Coxon

S Turner

Registered office

9 Silkwood Business Park

Fryers Way

Ossett

West Yorkshire

WF5 9TJ

Auditors

Murray Harcourt Limited

Elizabeth House

13-19 Queen Street

Leeds

West Yorkshire

LS1 2TW

Mysing Care Limited

Strategic Report for the Year Ended 31 July 2017

The Directors present their strategic report for the year ended 31 July 2017.

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.

In August 2017, the Company made an acquisition with the purchase of Prospect House (Malpas) Limited.

The Directors have been pleased with the performance of the business since acquisition which has contributed £553,000 to group profits between the date of purchase and the balance sheet date.

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 home at Hoar Cross 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 24/4/18 and signed on its behalf by:

.....
J Higgins
Director

Mysing Care Limited

Directors' Report for the Year Ended 31 July 2017

The Directors present their report and the audited financial statements for the year ended 31 July 2017.

Directors

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

J Higgins - Director

M J Ferguson - Director

I Kimberley - Director

R J Coxon - Director

S Turner - Director

Dividends

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

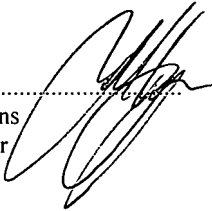
In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013, the Company has prepared a Strategic Report, which includes information that would have previously been included in the Director's Report.

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 24/4/18 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; and
- 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 July 2017, 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 July 2017 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 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.

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.

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

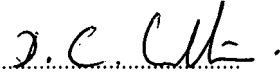
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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

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

Elizabeth House
13-19 Queen Street
Leeds
West Yorkshire
LS1 2TW

Date: 26/4/18

Mysing Care Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 July 2017

	Note	Year ended 31 July 2017 £	16 July 2015 to 31 July 2016 £
Turnover	3	4,574,927	471,716
Cost of sales		<u>(2,782,864)</u>	<u>(258,467)</u>
Gross profit		1,792,063	213,249
Administrative expenses		(829,797)	(189,160)
Other operating income		<u>5,400</u>	<u>900</u>
Operating profit	5	967,666	24,989
Interest payable and similar expenses	6	<u>(448,120)</u>	<u>(62,345)</u>
Profit/(loss) before tax		519,546	(37,356)
Taxation	10	<u>(150,469)</u>	<u>13,426</u>
Total comprehensive income for the financial year		<u>369,077</u>	<u>(23,930)</u>


Mysing Care Limited

(Registration number: 09688476)
Consolidated Balance Sheet as at 31 July 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	11	5,103,044	2,335,794
Tangible assets	12	<u>7,166,962</u>	<u>3,075,277</u>
		12,270,006	5,411,071
Current assets			
Stocks	15	2,500	2,500
Debtors	16	667,559	351,391
Cash at bank and in hand		<u>807,566</u>	<u>297,365</u>
		1,477,625	651,256
Creditors: Amounts falling due within one year	17	<u>(1,251,133)</u>	<u>(476,663)</u>
Net current assets		226,492	174,593
Total assets less current liabilities		12,496,498	5,585,664
Creditors: Amounts falling due after more than one year	17	(11,930,330)	(5,464,537)
Provisions for liabilities	18	<u>(220,621)</u>	<u>(144,657)</u>
Net assets/(liabilities)		<u>345,547</u>	<u>(23,530)</u>
Capital and reserves			
Called up share capital	20	400	400
Profit and loss account		<u>345,147</u>	<u>(23,930)</u>
Total equity		<u>345,547</u>	<u>(23,530)</u>

Approved and authorised by the Board on 24/4/18 and signed on its behalf by:

J Higgins
Director



Mysing Care Limited

(Registration number: 09688476)

Balance Sheet as at 31 July 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	13	11,413,695	4,905,295
Current assets			
Debtors	16	1,300,000	200,000
Cash at bank and in hand		108,935	142,131
		<u>1,408,935</u>	<u>342,131</u>
Creditors: Amounts falling due within one year	17	<u>(689,204)</u>	<u>(2,354,969)</u>
Net current assets/(liabilities)		<u>719,731</u>	<u>(2,012,838)</u>
Total assets less current liabilities		12,133,425	2,892,457
Creditors: Amounts falling due after more than one year	17	<u>(11,930,330)</u>	<u>(2,862,487)</u>
Net assets		<u>203,096</u>	<u>29,970</u>
Capital and reserves			
Called up share capital	20	400	400
Profit and loss account		<u>202,696</u>	<u>29,570</u>
Total equity		<u>203,096</u>	<u>29,970</u>

The Company made a profit after tax for the financial year of £173,126 (2016 - profit of £29,570).

Approved and authorised by the Board on 24/4/18 and signed on its behalf by:

.....
J Higgins
Director



Mysing Care Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 July 2017

	Share capital £	Profit and loss account £	Total £
At 16 July 2015	-	-	-
Total comprehensive income	-	(23,930)	(23,930)
New share capital subscribed	400	-	400
At 31 July 2016	400	(23,930)	(23,530)
At 1 August 2016	400	(23,930)	(23,530)
Total comprehensive income	-	369,077	369,077
At 31 July 2017	400	345,147	345,547

Mysing Care Limited

Statement of Changes in Equity for the Year Ended 31 July 2017

	Share capital £	Profit and loss account £	Total £
At 16 July 2015	-	-	-
Total comprehensive income	-	29,570	29,570
New share capital subscribed	400	-	400
At 31 July 2016	400	29,570	29,970
At 1 August 2016	400	29,570	29,970
Total comprehensive income	-	173,126	173,126
At 31 July 2017	400	202,696	203,096

Mysing Care Limited

Consolidated Statement of Cash Flows for the Year Ended 31 July 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit/(loss) for the year	369,077	(23,930)
Adjustments to cash flows		
Depreciation and amortisation	470,183	105,510
Profit on disposal of tangible assets	(435)	-
Finance costs	448,120	62,345
Income tax expense/(credit)	150,469	(13,426)
	<u>1,437,414</u>	<u>130,499</u>
Working capital adjustments:		
Decrease in trade debtors	1,591,269	2,228,438
(Decrease)/increase in trade creditors	<u>(1,890,992)</u>	<u>14,024</u>
Cash generated from operations	1,137,691	2,372,961
Income taxes (paid)/received	<u>(154,726)</u>	<u>2,277</u>
Net cash flow from operating activities	<u>982,965</u>	<u>2,375,238</u>
Cash flows from investing activities		
Acquisitions of tangible assets	(153,822)	-
Proceeds from sale of tangible assets	435	-
Acquisition of subsidiary	<u>(6,508,400)</u>	<u>(4,856,181)</u>
Net cash flows from investing activities	<u>(6,661,787)</u>	<u>(4,856,181)</u>
Cash flows from financing activities		
Interest paid	(448,120)	(62,345)
Proceeds from issue of ordinary shares	-	400
Repayment of bank borrowing	(2,739,000)	(2,761,234)
Loan from related party	3,387,513	2,862,487
Bank loans issued	<u>5,988,630</u>	<u>2,739,000</u>
Net cash flows from financing activities	<u>6,189,023</u>	<u>2,778,308</u>
Net increase in cash and cash equivalents	510,201	297,365
Cash and cash equivalents at 1 August	<u>297,365</u>	<u>-</u>
Cash and cash equivalents at 31 July	<u>807,566</u>	<u>297,365</u>

The notes on pages 14 to 27 form an integral part of these financial statements.

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 July 2017

1 General information

The Company is 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.

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'.

Amendments to FRS 102

These financial statements have early adopted the amendments made to Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' from the 2017 Triennial review. No restatement of prior period balances was required as a result.

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 July 2017.

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 July 2017

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 resulting accounting estimates will, by definition, seldom equal the related actual results. The key areas requiring the use of accounting estimates and assumptions are addressed below:

Identification and measurement of intangible assets on acquisition of subsidiaries

Establishing the fair value of acquired tangible and intangible assets involves the use of valuation techniques and the estimation of future cash flows to be generated over a number of years. The fair values of assets acquired on business combinations during the year are disclosed in note 14.

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 July 2017

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

Customer-related intangible assets acquired in a business combination were recognised at fair value at the acquisition date in prior periods. As a result of the early adoption of the triennial review amendments to FRS102 in the current period, the Directors have opted not to recognise such assets separately on acquisitions from the current 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

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 July 2017

2 Accounting policies (continued)

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.

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 the Profit and Loss Account 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.

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 July 2017

2 Accounting policies (continued)

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.

3 Turnover

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

4 Other operating income

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

	Year ended 31 July 2017 £	16 July 2015 to 31 July 2016 £
Rent receivable	5,400	900

5 Operating profit

Arrived at after charging/(crediting):

	Year ended 31 July 2017 £	16 July 2015 to 31 July 2016 £
Depreciation expense	174,933	12,000
Amortisation expense	295,250	93,510
Operating lease expense - plant and machinery	4,018	-
Profit on disposal of property, plant and equipment	(435)	-

6 Interest payable and similar expenses

	Year ended 31 July 2017 £	16 July 2015 to 31 July 2016 £
Interest on bank overdrafts and borrowings	114,414	62,345
Interest expense on other finance liabilities	333,706	-
	448,120	62,345

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 July 2017

7 Staff costs

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

	Year ended 31 July 2017 £	16 July 2015 to 31 July 2016 £
Wages and salaries	1,876,643	218,574
Social security costs	321,266	16,079
Pension costs, defined contribution scheme	14,088	1,152
Other employee expense	-	2,640
	<u>2,211,997</u>	<u>238,445</u>

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

	Year ended 31 July 2017 No.	16 July 2015 to 31 July 2016 No.
Administration	16	8
Nursing	171	61
	<u>187</u>	<u>69</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	Year ended 31 July 2017 £	16 July 2015 to 31 July 2016 £
Remuneration	23,262	-

9 Auditors' remuneration

	Year ended 31 July 2017 £	16 July 2015 to 31 July 2016 £
Audit of these financial statements	8,400	3,252

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 July 2017

10 Taxation

Tax charged/(credited) in the income statement:

	Year ended 31 July 2017 £	16 July 2015 to 31 July 2016 £
Current taxation		
UK corporation tax	190,331	7,259
Deferred taxation		
Arising from origination and reversal of timing differences	(39,490)	1,375
Arising from changes in tax rates and laws	(372)	(22,060)
Total deferred taxation	(39,862)	(20,685)
Tax expense/(credit) in the income statement	150,469	(13,426)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK of 19.7%.

The differences are reconciled below:

	Year ended 31 July 2017 £	16 July 2015 to 31 July 2016 £
Profit/(loss) before tax	519,546	(37,356)
Corporation tax at standard rate	102,351	(7,471)
Deferred tax credit relating to changes in tax rates or laws	(372)	(22,060)
Depreciation of non qualifying assets	20,816	2,400
Amortisation of intangibles	62,980	18,702
Difference in tax rates	1,367	-
Other	(36,673)	(4,997)
Total tax charge/(credit)	150,469	(13,426)

Legislation was substantially enacted on 6 September 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 within one year, and at 17% on liabilities expected to reverse after 1 April 2020.

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 July 2017

11 Intangible assets

Group

	Goodwill £	Customer relationships £	Total £
Cost or valuation			
At 1 August 2016	2,295,304	134,000	2,429,304
Acquired through business combinations	3,062,500	-	3,062,500
At 31 July 2017	5,357,804	134,000	5,491,804
Amortisation			
At 1 August 2016	26,510	67,000	93,510
Amortisation charge	228,250	67,000	295,250
At 31 July 2017	254,760	134,000	388,760
Carrying amount			
At 31 July 2017	5,103,044	-	5,103,044
At 31 July 2016	2,268,794	67,000	2,335,794

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 July 2017

12

Tangible assets (continued)

Group	Land and buildings £	Assets under construction £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation						
At 1 August 2016	3,000,000	-	86,777	-	500	3,087,227
Additions	-	94,852	49,441	9,529	-	153,822
Acquired through business combinations	4,000,000	-	104,833	7,963	-	4,112,796
At 31 July 2017	7,000,000	94,852	241,051	17,492	500	7,353,895
Depreciation						
At 1 August 2016	12,000	-	-	-	-	12,000
Charge for the period	99,750	-	69,115	5,955	113	174,933
At 31 July 2017	111,750	-	69,115	5,955	113	186,933
Carrying amount						
At 31 July 2017	6,888,250	94,852	171,936	11,537	387	7,166,962
At 31 July 2016	2,988,000	-	86,777	-	500	3,075,277

Included within the net book value of land and buildings above is £6,888,250 (2016 - £2,988,000) in respect of freehold land and buildings.

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 July 2017

13 Investments

Company

	2017 £	2016 £
Investments in subsidiaries	11,413,695	4,905,295

Subsidiaries

£

Cost or valuation

At 31 July 2016	4,905,295
Additions	6,508,400
At 31 July 2017	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	
			2017	2016
Subsidiary undertakings				
Hoar Cross Care Limited	9 Silkwood 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%	0%

All the above subsidiaries are included in consolidation. The Company's investment 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.

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 July 2017

14 Business combinations

On 19 October 2016, Mysing Care Limited acquired 100% of the issued share capital of Prospect House (Malpas) Limited, obtaining control.

Prospect House Limited contributed £2,367,800 revenue and £553,000 to the Group's profit for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below:

	Fair value 2017 £
Assets and liabilities acquired	
Financial assets	1,907,437
Tangible assets	4,112,796
Financial liabilities	(2,312,649)
Corporation tax	(145,858)
Deferred tax	(115,826)
Total identifiable assets	3,445,900
Goodwill	3,062,500
Total consideration, satisfied by cash	6,508,400

A customer relationship intangible asset was also acquired, but has not been recognised separately under the Triennial review amendments to FRS 102, and is instead subsumed within goodwill.

15 Stocks

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Stock	2,500	2,500	-	-

16 Debtors

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	167,218	73,119	-	-
Other debtors	380,940	269,780	1,300,000	200,000
Prepayments	119,401	8,492	-	-
	667,559	351,391	1,300,000	200,000

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 July 2017

17 Creditors

		Group		Company	
	Note	2017 £	2016 £	2017 £	2016 £
Due within one year					
Loans and borrowings	21	308,300	136,950	308,000	-
Trade creditors		90,125	34,687	-	-
Amounts due to group undertakings		-	-		2,300,669
- Social security and other taxes		48,790	15,770	6,204	-
Other payables		459,971	54,300	375,000	54,300
Accrued expenses		76,438	148,910	-	-
Income tax liability		267,509	86,046	-	-
		1,251,133	476,663	689,204	2,354,969
Due after one year					
Loans and borrowings	21	11,930,330	5,464,537	11,930,330	2,862,487

18 Deferred tax and other provisions

Group

	Deferred tax £	Total £
At 1 August 2016	144,657	144,657
Profit and loss	(39,862)	(39,862)
Acquisition	<u>115,826</u>	<u>115,826</u>
At 31 July 2017	<u>220,621</u>	<u>220,621</u>

Deferred tax comprises:

	2017 £	2016 £
Accelerated capital allowances	119,165	21,923
Property valuation	101,563	122,734
Short term timing differences	<u>(107)</u>	<u>-</u>
	<u>220,621</u>	<u>144,657</u>

19 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 £14,088 (2016 - £1,152).

Contributions totalling £1,280 (2016 - £Nil) were payable to the scheme at the end of the year and are included in creditors.

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 July 2017

20 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	400	400	400	400

21 Loans and borrowings

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Current loans and borrowings				
Bank borrowings	308,300	136,950	308,300	-

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Non-current loans and borrowings				
Bank borrowings	5,680,330	2,602,050	5,680,330	-
Other borrowings (note 23)	6,250,000	2,862,487	6,250,000	2,862,487
	<u>11,930,330</u>	<u>5,464,537</u>	<u>11,930,330</u>	<u>2,862,487</u>

Group

Bank borrowings

The bank loan is secured by a first legal charge over the property owned by the Group, and by an intercompany guarantee with other group companies for £6,239,000.

22 Net debt reconciliation

	At 1 August 2016 £	Cash flow £	At 31 July 2017 £
Cash at bank and in hand	297,365	510,201	807,566
Bank borrowings due within one year	(136,950)	(171,350)	(308,300)
Bank borrowings due after one year	(2,602,050)	(3,078,280)	(5,680,330)
Other borrowings	(2,862,487)	(3,387,513)	(6,250,000)
	<u>(5,304,122)</u>	<u>(6,126,942)</u>	<u>(11,431,064)</u>

Mysing Care Limited

Notes to the Financial Statements for the Year Ended 31 July 2017

23 Contingent liabilities

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 July 2017 is £6,005,000 (2016 - £2,739,000).

24 Related party transactions

During the year the Group received loans from Mysing Properties 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 July 2017 the amount owed to Mysing Properties Limited was £6,250,000.

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

	2017 £	2016 £
Financial assets that are debt instruments measured at amortised cost	548,158	342,899
Financial liabilities measured at amortised cost	12,867,576	5,839,384

25 Control

The Group is under the control of the directors.