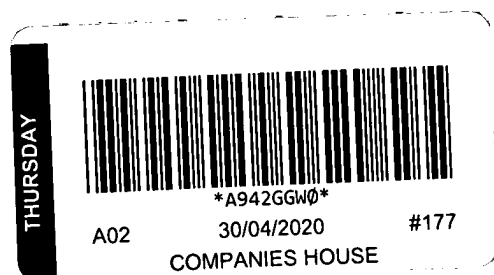


COMPANY REGISTRATION NUMBER: 10340352

**OCH Management Services Limited**

**Directors' Report and Financial Statements**

**30 March 2019**



# **OCH Management Services Limited**

## **Financial Statements**

**Year ended 30 March 2019**

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# **OCH Management Services Limited**

## **Officers and Professional Advisers**

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<b>The board of directors</b>	D Johnson L Lee ID Goulding HW Knight
<b>Registered office</b>	The Hamlet Hornbeam Park Harrogate HG2 8RE
<b>Auditor</b>	RSM UK Audit LLP 7th Floor City Gate East Tollhouse Hill Nottingham NG1 5FS
<b>Bankers</b>	National Westminster Bank plc 8 Market Place Huddersfield HD1 2AL
<b>Solicitors</b>	Pinsent Masons LLP 1 Park Row Leeds LS1 5AB

# **OCH Management Services Limited**

## **Directors' Report**

### **Year ended 30 March 2019**

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The directors present their report and the financial statements of the company for the year ended 30 March 2019.

#### **Principal activities**

The principal activity of the company during the year was to provide management services to group companies.

#### **Directors**

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

TA Brookes	(resigned 4 October 2019)
D Johnson	
L Lee	
J Rodgers	(appointed 3 October 2018 and resigned 31 March 2019)
DJ Ryan	(appointed 3 October 2018 and resigned 31 March 2019)

ID Goulding and HW Knight were appointed directors on 30 September 2019.

#### **Going concern and subsequent events**

The company's ability to continue as a going concern is dependent on the going concern status of the Cortina Race group of which it forms a part.

The group's latest cash flow forecasts, taking account of the inherent risks and uncertainties of the trading environment, indicate that along with continuing shareholder/member support, the group has sufficient liquidity to continue trading as a going concern.

A strategic review of the group was concluded in Summer 2019, resulting in an operational plan to move the group to profitability and assure the sustainability of each care home retained within the group. The plan included the decision to sell nine loss-making freehold homes, secure an exit from seven cash-absorbing leasehold homes and restructure the group's central resource. The performance of the retained 24 care homes (23 freehold and 1 leasehold) was improving as planned.

The trade of the seven leasehold homes was sold to third parties in January and February 2020 for consideration of £nil. The subsidiary companies that were the lessees of these homes have been released from any future obligations under the leases.

The disposals of five loss-making freehold homes were completed in October 2019 and January to March 2020 for proceeds totalling £5.8m. Disposals of the remaining four loss-making freehold homes are progressing with commercial terms agreed with prospective purchasers and are forecast to generate net sales proceeds of approximately £3.2m.

The strategic review necessitated the group to incur a number of redundancy and restructuring costs. To the extent that these costs, and the ongoing settlement of liabilities as they fall due, cannot be funded from the proceeds of the disposal of the freehold homes, Cortina Race LLP has received confirmation from its members that it is their intention to provide financial support to the group. A commitment of £4m has already been provided for at least 18 months from the date on which the financial statements are approved, to enable the group to continue to meet its liabilities as they fall due. £1m of this additional funding has already been remitted to the group in December 2019.

# OCH Management Services Limited

## Directors' Report *(continued)*

**Year ended 30 March 2019**

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### **Going concern and subsequent events**

Covid-19 (Coronavirus) has had an impact on the performance of the homes with an increase in temporary agency costs in March 2020 to cover self-isolation of permanent staff. The group has a robust operational and clinical plan to respond to the risks of Covid-19 and minimise any potential increase in costs and/or loss in income. The group's management team is pro-actively engaging with local authority and NHS commissioning teams to provide assistance to relieve pressure on hospitals during the pandemic. Early indications are there has been a significant increase in the number of referrals and commissioning teams have funds available to purchase beds at a higher fee to cover any incremental costs and to assist social care providers cash flow through payment in advance for fees and/or providing funding to cover vacant beds if there is a Covid-19 outbreak in a home.

For the above reasons the financial statements have been prepared on a going concern basis. However, attention is drawn to the fact that it is not yet possible to predict the overall potential impacts of the Covid-19 outbreak on the overall UK economy, or on the group's operations. The principal uncertainties are the potential shortage of staff due to self-isolation and the direct impact of an outbreak in one or more homes which would result in lost revenue. As stated above, the group has plans to mitigate these risks but cannot negate the uncertainty entirely. These conditions represent a material uncertainty in relation to the group and company's going concern status.

### **Auditor**

RSM UK Audit LLP were appointed as auditors during the year, and have indicated their willingness to continue in office. They will therefore be deemed reappointed as auditors in the absence of a general meeting.

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

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

### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 24th April 2020 and signed on its behalf by:



D Johnson  
Director

Registered office:  
The Hamlet  
Hornbeam Park  
Harrogate  
HG2 8RE

## **OCH Management Services Limited**

### **Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements**

**Year ended 30 March 2019**

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The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent Auditor's Report to the Members of OCH Management Services Limited**

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### **Opinion**

We have audited the financial statements of OCH Management Services Limited (the 'company') for the year ended 30 March 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, 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 company's affairs as at 30 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Material uncertainty related to going concern**

We draw attention to note 3 in the financial statements, which indicates that the company may be adversely affected by the growing impact of the Covid-19 (Coronavirus) outbreak. Whilst the directors are taking action to mitigate the impact, given the unpredictable nature and impact of the outbreak, and how rapidly the responses to the outbreak are changing, the directors are unable to predict the full extent of the impact with regards to the going concern basis of accounting and its related disclosures. As stated in note 3, these events or conditions, along with the other matters as set forth in note 3, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Independent Auditor's Report to the Members of OCH Management Services Limited** *(continued)*

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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 the audit:

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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

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.



**Independent Auditor's Report to the Members of OCH Management Services Limited** *(continued)*

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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.

RSM NK Audit LLP

Richard King FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
7th Floor  
City Gate East  
Tollhouse Hill  
Nottingham  
NG1 5FS

25 April 2020

# OCH Management Services Limited

## Statement of Comprehensive Income

Year ended 30 March 2019

	Note	Year ended 30 March 2019 £	Period ended 30 March 2018 £
Turnover	4	8,227,116	7,400,825
Cost of sales		(881,931)	305,618
Gross profit		7,345,185	7,706,443
Administrative expenses		(8,105,106)	(8,057,291)
Operating loss		(759,921)	(350,848)
Interest Payable		(7,431)	(58,146)
Loss before taxation	5	(767,352)	(408,994)
Tax on loss on ordinary activities	8	—	—
Loss for the financial year/period and total comprehensive loss		<u>(767,352)</u>	<u>(408,994)</u>

All the activities of the company are from continuing operations.

The notes on pages 11 to 17 form part of these financial statements.

# OCH Management Services Limited

## Balance Sheet

30 March 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	9	1,380,994	441,668
<b>Current assets</b>			
Debtors	10	1,665,685	1,144,961
Cash at bank and in hand		353,517	70,678
		<u>2,019,202</u>	<u>1,215,639</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(4,749,956)</u>	<u>(2,239,715)</u>
<b>Net current liabilities</b>		<u>(2,730,754)</u>	<u>(1,024,076)</u>
<b>Net liabilities</b>		<u>(1,349,760)</u>	<u>(582,408)</u>
<b>Capital and reserves</b>			
Called up share capital	13	1	1
Profit and loss account	14	<u>(1,349,761)</u>	<u>(582,409)</u>
<b>Shareholders' deficit</b>		<u>(1,349,760)</u>	<u>(582,408)</u>

The financial statements on pages 8 to 17 were approved by the board of directors and authorised for issue on ~~24th April 2019~~ *24th April 2020* and are signed on behalf of the board by:



D Johnson  
Director

Company registration number: 10340352

The notes on pages 11 to 17 form part of these financial statements.

# OCH Management Services Limited

## Statement of Changes in Equity

Year ended 30 March 2019

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	Called up share capital £	Profit and loss account £	Total £
<b>At 31 March 2017</b>	1	(173,415)	(173,414)
Loss for the period	—	(408,994)	(408,994)
<b>Total comprehensive loss for the period</b>	1	(408,994)	(408,994)
<b>At 30 March 2018</b>	1	(582,409)	(582,408)
Loss for the year	—	(767,352)	(767,352)
<b>Total comprehensive loss for the year</b>	—	(767,352)	(767,352)
<b>At 30 March 2019</b>	1	(1,349,761)	(1,349,760)

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The notes on pages 11 to 17 form part of these financial statements.

# **OCH Management Services Limited**

## **Notes to the Financial Statements**

**Year ended 30 March 2019**

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### **1. General information**

The company is a private company limited by shares, incorporated on 22 August 2016 with 100% of its issued share capital allotted to Plum Bidco Limited, registered in England and Wales. The address of the registered office is The Hamlet, Hornbeam Park, Harrogate, HG2 8RE.

### **2. Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis. They are presented in pounds sterling, which is also the functional currency of the entity, and are rounded to the nearest whole pound.

#### **Going concern**

The company's ability to continue as a going concern is dependent on the going concern status of the Cortina Race group of which it forms a part.

Covid-19 (Coronavirus) has had an impact on the performance of the homes with an increase in temporary agency costs in March 2020 to cover self-isolation of permanent staff. The group has a robust operational and clinical plan to respond to the risks of Covid-19 and minimise any potential increase in costs and/or loss in income. The group's management team is pro-actively engaging with local authority and NHS commissioning teams to provide assistance to relieve pressure on hospitals during the pandemic. Early indications are there has been a significant increase in the number of referrals and commissioning teams have funds available to purchase beds at a higher fee to cover any incremental costs and to assist social care providers cash flow through payment in advance for fees and/or providing funding to cover vacant beds if there is a Covid-19 outbreak in a home.

The directors have prepared the financial statements on the going concern basis of accounting for the reasons set out in the directors' report on pages 2 and 3. However, attention is drawn to the fact that it is not yet possible to predict the overall potential impacts of the Covid-19 outbreak on the overall UK economy, or on the group's operations. The principal uncertainties are the potential shortage of staff due to self-isolation and the direct impact of an outbreak in one or more homes which would result in lost revenue and may call into question the group's ability to operate within its currently available funding levels. As stated above, the group has plans to mitigate these risks but cannot negate the uncertainty entirely. These conditions represent a material uncertainty in relation to the group and company's going concern status.

#### **Disclosure exemptions**

The Company's ultimate parent undertaking, Cortina Race LLP includes the Company in its consolidated financial statements. The consolidated financial statements of Cortina Race LLP are prepared in accordance with Financial Reporting Standard 102 applicable in the UK and Republic of Ireland and are available to the public and may be obtained from 21 Palmer Street, London, SW1H 0AD. In these financial statements, the company is considered to be a qualifying entity (for the purposes of the FRS) and has applied the exemptions available under FRS 102 in the respect of the following disclosures:

# **OCH Management Services Limited**

## **Notes to the Financial Statements** *(continued)*

**Year ended 30 March 2019**

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### **3. Accounting policies** *(continued)*

#### **Disclosure exemptions** *(continued)*

- Financial instruments disclosures;
- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

#### **Judgements and key sources of estimation uncertainty**

Estimates and judgements are regularly evaluated and are based on experience and future expectations of current events.

#### **Revenue recognition**

Revenue is recognised at the point at which services are supplied. Where services are performed gradually over time, revenue is recognised as the activity progresses by reference to the value of the services provided and the number of days the services has been provided.

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

#### **Operating leases**

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

#### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### **Tangible assets**

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

# OCH Management Services Limited

## Notes to the Financial Statements *(continued)*

### Year ended 30 March 2019

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#### 3. Accounting policies *(continued)*

##### Depreciation

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

Fixtures and fittings	-	20% straight line
Motor vehicles	-	25% straight line
IT equipment	-	20% straight line

##### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### 4. Turnover

Turnover is attributable to the principal activity of the company, which is wholly undertaken in the United Kingdom and relates to the rendering of services.

#### 5. Loss before taxation

Loss before taxation is stated after charging/(crediting):

	<b>Year ended 30 Mar 2019 £</b>	<b>Period ended 30 Mar 2018 £</b>
Depreciation of tangible assets	243,412	68,034
Profit on disposal of tangible assets	–	(14,125)
Fees payable for the audit of the financial statements	–	10,500

The auditors' remuneration for 2019 was borne by a fellow group undertaking with no recharge made. The total charge for the year is disclosed in the financial statements of the ultimate parent, Cortina Race LLP.

#### 6. Staff costs

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

# OCH Management Services Limited

## Notes to the Financial Statements *(continued)*

### Year ended 30 March 2019

#### 6. Staff costs *(continued)*

	Year ended 30 Mar 2019 No.	Period ended 30 Mar 18 No.
Administrative staff	104	108
Maintenance staff	23	23
	<u>127</u>	<u>131</u>

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

	Year ended 30 Mar 2019 £	Period ended 30 Mar 18 £
Wages and salaries	4,479,286	4,382,782
Social security costs	434,944	498,071
Other pension costs	137,065	32,296
	<u>5,051,295</u>	<u>4,913,149</u>

#### 7. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	Year ended 30 Mar 2019 £	Period ended 30 Mar 18 £
Remuneration	<u>668,961</u>	<u>662,937</u>

The above is inclusive of £176,500 (2018: £203,012) in relation to the highest paid director.

#### 8. Tax on loss on ordinary activities

There was no charge to current or deferred taxation in the year or in the prior period.

##### Factors affecting tax charge for the year

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

	Year ended 30 Mar 2019 £	Period ended 30 Mar 2018 £
Loss on ordinary activities before taxation	(767,351)	(408,994)
Loss on ordinary activities by rate of tax	(145,797)	(77,709)
Tax rate differences	15,347	–
Deferred tax not recognised	130,450	77,709
Tax on loss	<u>–</u>	<u>–</u>



# OCH Management Services Limited

## Notes to the Financial Statements *(continued)*

### Year ended 30 March 2019

#### 8. Tax on loss on ordinary activities *(continued)*

A reduction in the corporation tax rate to 17% from 1 April 2020 was substantively enacted on 6 September 2016. Unrecognised deferred tax assets in respect of losses, short term timing differences and fixed asset timing differences amounted to £260,676 (2018 - £130,226) and have not been recognised in the financial statements as there is uncertainty over the availability or timing of future taxable profits.

#### 9. Tangible assets

	Fixtures and fittings	Motor Vehicles	IT Equipment	Total
	£	£	£	£
<b>Cost</b>				
At 31 March 2018	437,677	28,411	84,026	550,114
Additions	351,755	—	830,983	1,182,738
	<u>789,432</u>	<u>28,411</u>	<u>915,009</u>	<u>1,732,852</u>
<b>At 30 March 2019</b>	<b>789,432</b>	<b>28,411</b>	<b>915,009</b>	<b>1,732,852</b>
<b>Depreciation</b>				
At 31 April 2018	101,770	6,676	—	108,446
Charge for the year	157,405	—	86,007	243,412
	<u>259,175</u>	<u>6,676</u>	<u>86,007</u>	<u>351,858</u>
<b>At 30 March 2019</b>	<b>259,175</b>	<b>6,676</b>	<b>86,007</b>	<b>351,858</b>
<b>Carrying amount</b>				
At 30 March 2019	530,257	21,735	829,002	1,380,994
At 30 March 2018	335,907	21,735	84,026	441,668

#### 10. Debtors

	2019	2018
	£	£
Trade debtors	30,961	238,344
Other debtors	1,787	—
Amounts owed by group undertakings	1,151,273	413,259
Prepayments and accrued income	481,664	493,358
	<u>1,665,685</u>	<u>1,144,961</u>

The amounts owed from group undertakings are interest-free and repayable upon demand.

# OCH Management Services Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 March 2019

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### 11. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	188,475	610,040
Amounts owed to group undertakings	3,471,594	850,383
Accruals and deferred income	868,988	579,278
Social security and other taxes	183,358	200,014
Other creditors	37,541	–
	<u>4,749,956</u>	<u>2,239,715</u>

The amounts owed to group undertakings are interest-free and repayable upon demand.

### 12. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £137,065 (2018: £32,296). Contributions totalling £37,541 (2018: £16,240) were payable to the fund at the period end.

### 13. Called up share capital

#### Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

### 14. Reserves

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

### 15. Operating leases

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

	2019	2018
	£	£
Not later than 1 year	162,926	96,443
Later than 1 year and not later than 5 years	<u>556,945</u>	<u>–</u>
	<u>719,871</u>	<u>96,443</u>

# OCH Management Services Limited

## Notes to the Financial Statements *(continued)*

**Year ended 30 March 2019**

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### **16. Related party transactions**

During the year the Company (incurred costs)/recharged costs with group undertakings as follows:

	Management fee £	Recharges £	Total £
Group undertakings	<u>7,325,412</u>	<u>2,074,937</u>	<u>9,400,349</u>

In addition, the Company received net loans totalling £4,164,895 from group undertakings.

	Balance owed by/(owed to) £
Group undertakings	<u>(2,320,321)</u>

### **17. Controlling party**

The Company is a subsidiary undertaking of Cortina Race LLP. The ultimate controlling party is Alchemy Special Opportunities Fund III LP, Trafalgar Court, Les Banques, St Peter's Port, Guernsey, Channel Isles, GY1 3QL.

The largest group in which the results of the Company are consolidated is that headed by Cortina Race LLP, incorporated in the United Kingdom. These consolidated financial statements are available to the public and may be obtained from Companies House.