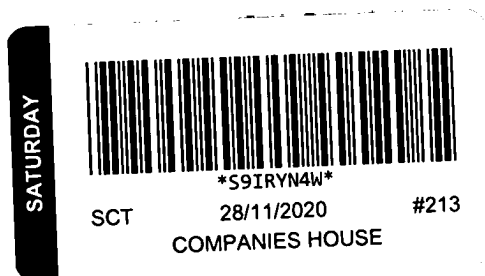


**Registration Number SC100157**

**Meallmore Limited and Subsidiaries**

**Directors' Report and Consolidated Financial Statements**

**for the year ended 31 March 2020**



# **Meallmore Limited and Subsidiaries**

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## **Meallmore Limited and Subsidiaries**

### **Directors and other information**

<b>Directors</b>	Aidan Hennessey Gerard Hennessey Cillian Hennessey Ciara Hennessey Colin Rutherford Gillian Watson Gavin MacKenzie Mary Preston
<b>Secretary</b>	Gavin MacKenzie
<b>Company number</b>	SC100157
<b>Registered office</b>	Caulfield House Cradlehall Business Park Inverness IV2 5GH
<b>Auditor</b>	MCI Chartered Accountants and Registered Auditors Sentinel House 13 Pump Street Derry BT48 6JG

## **Meallmore Limited and Subsidiaries**

### **Strategic report for the year ended 31 March 2020**

The directors present their strategic report for the year ended 31 March 2020.

#### **Results**

The results for the year are set out in the Statement of Income on page 11. The profit for the year after providing for depreciation and taxation amounted to £5,901,606 (2019 : £4,659,773).

#### **Review of the business, analysis of key performance indicators and future developments**

Group turnover increased by 7.27% reflecting increased occupancy levels, increased fee rates and the fill-up of recently constructed or acquired homes. Recruitment and retention of staff remain critical to delivering quality care, and the current labour market remains challenging with pressure on wages. The group focuses on training staff and has increased wage rates to attract and retain high quality staff, putting some pressure on margins. Administration expenses are closely monitored and are on par with 2019.

Important financial Key Performance Indicators (KPI's) are bed occupancy rates, average fee income per bed, staffing costs to fee income and earnings before interest, tax, depreciation, amortisation, rent and management fees (EBITDARM). In relation to the KPI's the group, when benchmarked to the sector, is performing at or above regional sector averages.

In terms of future developments the group continues to focus on purchasing sites in prime locations on which to develop modern, state of the art nursing care facilities.

#### **Principal risks and uncertainties**

The board is responsible for risk assessment and management within the group. It has in place a documented organisational structure with clearly defined and understood roles and responsibilities. It has identified the following key risk areas and uncertainties:

- Financial risks
- Regulatory environment

#### **Financial risks**

##### **Banking covenants**

The continued provision of banking facilities to the group is subject to compliance with financial covenants. Should the group's trading performance deteriorate significantly or its interest costs increase significantly, the group could breach these covenants and this may have a material impact on the continued availability of the group's banking facilities.

##### **Liquidity**

The group maintains a mix of medium and long term structured finance designed to ensure that it has sufficient available funds for day to day operations and planned development expenditure.

##### **Interest rate exposure**

The group's interest rate risk arises from long term borrowings issued at variable rates which expose the group to the risk of adverse interest rate movements. The group manages this exposure through the appropriate use of fixed and floating debt and interest rate swaps.

**Meallmore Limited and Subsidiaries**

**Strategic report  
for the year ended 31 March 2020**

..... continued

**Principal risks and uncertainties (continued.....)**

**Regulatory environment**

The group's services are regulated by Social Care and Social Work Improvement Scotland (SCSWIS) which has significant enforcement powers against operators who do not comply with statutory requirements. As a result of the group's own internal compliance review procedures and external regulatory inspections, the board is confident that the group's services on an ongoing basis meet regulatory standards and that the group's practices and procedures comply with care regulations.

**Directors' duties - s172 Companies Act 2006**

They directors of the group act, behave and carry out their activities to promote the long term success of the company for the benefit of it shareholders, employees, service users and stakeholders. In doing so, they focus on the company and on passing on a stronger, better and more sustainable business to those who follow, while maintaining intergenerational fairness.

The engage with shareholders, employees, clients and stakeholders to reflect their insights and views when making decisions on strategy, delivering operational effectiveness, making plans and initiatives, and committing to deliver social values and social outcomes in the communities the company operate in.

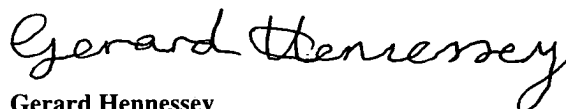
The culture and values promoted by the directors creates focus to observe and maintain the highest standards of business conduct in promoting the long term success of the company.

For more information, please visit our website [www.meallmore.co.uk](http://www.meallmore.co.uk).

**On behalf of the board**



**Aidan Hennessey**  
Director



**Gerard Hennessey**  
Director

**Date: 25 November 2020**

## **Meallmore Limited and Subsidiaries**

### **Directors' report and statement of directors' responsibilities for the year ended 31 March 2020**

The directors present their report and the consolidated financial statements of Meallmore Limited ("the Company") and its subsidiary undertakings ("the Group") for the year ended 31 March 2020.

#### **Directors and secretary**

The directors and secretary who served during the year are as stated below:

Aidan Hennessey (Director)  
Gerard Hennessey (Director)  
Cillian Hennessey (Director)  
Ciara Hennessey (Director)  
Colin Rutherford (Director)  
Gillian Watson (Director)  
Mary Preston (Director)  
Gavin MacKenzie (Director and Secretary)

#### **Dividends**

The company declared dividends of £830 per ordinary share and £0.115 per "A" ordinary share which totalled £830,460 for the year (2019 : £500,480).

#### **Political contributions**

There were no political contributions made during the year.

#### **Future developments**

Future developments in the business of the group are discussed in the strategic report.

#### **Disabled employees**

The group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

#### **Employee involvement**

The group operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. During the year, the policy of providing employees with information about the group has been continued through the newsletter 'Meallmore Matters' in which employees have also been encouraged to present their suggestions and views on the group's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

#### **Financial instruments and risk management**

Information on the use of financial instruments by the group and its management of financial risks is disclosed in the strategic report.

#### **Events after the end of the reporting period**

No events requiring adjustment or amendment to the financial statements occurred subsequent to the reporting date.

## **Meallmore Limited and Subsidiaries**

### **Directors' report and statement of directors' responsibilities for the year ended 31 March 2020**

#### **Impact of COVID-19**

Whilst the effect of COVID-19 has impacted on the operations of the business post year end, the financial effect of lower occupancy and increased costs has been largely mitigated by cost savings and additional revenues. Post-year end occupancy has recovered, and additional measures remain in place.

In light of the ongoing uncertainty triggered by the global COVID-19 pandemic, our approach to assessing going concern has been augmented this year. Our decisions and actions during the pandemic have been based on the principles of protecting our people, ensuring our business remains strong and working collaboratively with our customers through the challenges they face.

The directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Business Relationships**

##### **Customers**

Meallmore strongly values its customers and seeks to deliver the highest level of trusted care. Meallmore routinely seeks customer feedback and takes active steps to remedy any instances of customer dissatisfaction.

##### **Suppliers**

We work with a wide range of suppliers both in the UK and beyond. We remain committed to being fair and transparent in our dealings with all of our suppliers. The Group has procedures requiring due diligence of significant suppliers as to their internal governance, including for example, their antibribery and corruption practices, data protection policies and modern slavery matters. The Group has systems and processes in place to ensure suppliers are paid in a timely manner.

#### **Greenhouse gas and energy**

Meallmore recognises that our operations have an environmental impact and we are committed going forward to monitoring and reducing our emissions year-on-year. We are also aware of our reporting obligations under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. As such, this year we have upgraded our energy and carbon reporting to meet these new requirements.

#### **Performance in the year**

This year we have calculated our environmental impact across the required scope 1, 2 and 3 (selected categories) emissions sources for the UK only. Our emissions on a location basis (using the UK grid emissions intensity) are 6,990 tCO<sub>2</sub>e, which is an average impact of 4.13 tCO<sub>2</sub>e per employee and 5.77 tCO<sub>2</sub>e per care home bed. We have calculated emission intensity metrics on both a per employee and a per bed basis, which we will monitor to track performance in our subsequent environmental disclosures.

#### **Energy and carbon action**

At Meallmore we are mindful of the environmental impact that our buildings and vehicle use have on the environment. As such over the course of the last year we have taken steps to meet our environmental responsibilities through:

- Carrying out energy audits - to comply with the requirements of the Energy Savings Opportunities Scheme (ESOS), through which we have identified several energy efficiencies measures that are under review and will be implemented as practicable;
- Reduction in travel - this year we have encouraged staff not to travel by using technology wherever possible. Investment has been put into technology across the entire estate to help facilitate this transition.

## Meallmore Limited and Subsidiaries

### Directors' report and statement of directors' responsibilities for the year ended 31 March 2020

#### Greenhouse gas and energy (continued)

##### Results for the year

The methodology used to calculate the GHG emissions is in accordance with the requirements of the following standards:

- World Resources Institute (WRI) Greenhouse Gas (GHG) Protocol (revised version);
- Defra's Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting requirements (March 2019).

Emission sources are grouped into either Scope 1, 2 or 3 using the World Resources Institute (WRI) Greenhouse Gas (GHG) Protocol (revised version) definitions:

- Scope 1: Direct GHG emissions from sources that are owned or controlled by the company;
- Scope 2: Indirect GHG emissions from the generation of purchased electricity consumed by the company;
- Scope 3: All other indirect emissions. These emissions are a consequence of the activities of the company, but occur from sources not owned or controlled by the company.

Following an operational control approach to defining our organisational boundary, our calculated GHG emissions from business activities for the period 1 April 2019 to 31 March 2020 are as follows:

	Emission source	Emissions tCO <sub>2</sub> e
Scope 1	Natural gas	1,911
	Consumption of fuel for the purposes of transport	192
	Biomass (wood pellets)	980
Scope 2	Purchased electricity	3,907
Total emissions		6,990
Carbon intensity per employee	tCO <sub>2</sub> e per employee	4.13
Carbon intensity tCO <sub>2</sub> e per Bed	tCO <sub>2</sub> e per bed (in care homes)	5.77

##### Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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 the law the directors have elected to prepare the consolidated and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period.



**Meallmore Limited and Subsidiaries**

**Directors' report and statement of directors' responsibilities  
for the year ended 31 March 2020**

**Statement of Directors' responsibilities (continued)**

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

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

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

**Disclosure of information to the auditors**

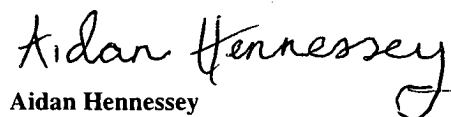
We, the directors of the company who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

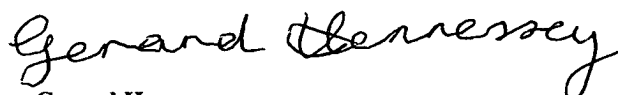
- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and MCI will therefore continue in office.

This report was approved and authorised for issue by the board of directors on 25 November 2020 and signed on behalf of the board by:

  
**Aidan Hennessey**  
**Director**

  
**Gerard Hennessey**  
**Director**

## **Meallmore Limited and Subsidiaries**

### **Independent auditor's report to the members of Meallmore Limited for the year ended 31 March 2020**

#### **Opinion**

We have audited the financial statements of Meallmore Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise The Statement of Income, Balance Sheet, Statement of Cash Flows, 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 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 of the parent company's affairs as at 31 March 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

## **Meallmore Limited and Subsidiaries**

### **Independent auditor's report to the members of Meallmore Limited for the year ended 31 March 2020**

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

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

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

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

In the light of the knowledge and understanding of the 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 or the directors' report.

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

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

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

**Meallmore Limited and Subsidiaries**

**Independent auditor's report to the members of Meallmore Limited  
for the year ended 31 March 2020**

**Auditor's responsibilities for the audit of the financial statements (continued)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion..

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

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Ian McIvor (Senior Statutory Auditor)**

**For and on behalf of MCI  
Statutory Auditor  
Sentinel House  
13 Pump Street  
Derry  
BT48 6JG**

**Date: 25 November 2020**

**Meallmore Limited and Subsidiaries**

**Consolidated statement of income  
for the year ended 31 March 2020**

	Notes	2020 £	2019 £
<b>Turnover</b>	<b>2</b>	56,348,127	52,529,627
Direct costs		34,743,037	32,536,483
<b>Gross profit</b>		21,605,090	19,993,144
Administration expenses		12,067,974	12,157,482
<b>Operating profit</b>	<b>3</b>	9,537,116	7,835,662
Interest receivable and similar income	<b>4</b>	59,686	4,279
Interest payable and similar charges	<b>5</b>	1,952,731	1,964,627
		7,644,071	5,875,314
Net (loss)/gain on derivative financial instruments recognised at fair value	<b>27</b>	(10,296)	94,007
<b>Profit on ordinary activities before taxation</b>		7,633,775	5,969,321
Tax on profit on ordinary activities	<b>8</b>	1,732,169	1,309,548
<b>Profit for the financial year</b>		5,901,606	4,659,773

There were no discontinued operations in the year.

The notes on pages 17 to 43 form an integral part of these financial statements.

**Meallmore Limited and Subsidiaries**

**Consolidated statement of comprehensive income  
for the year ended 31 March 2020**

	Notes	2020 £	2019 £
Profit for the financial year		5,901,606	4,659,773
Dividends	20	(830,460)	(500,480)
Fair value movements on cash flow hedging instruments	27	(438,456)	(361,721)
Movement in deferred tax relating to cashflow hedging instruments	8(b)	93,746	61,493
<b>Total comprehensive income for the financial year</b>		<u>4,726,436</u>	<u>3,859,065</u>

**Meallmore Limited and Subsidiaries**

**Consolidated balance sheet  
as at 31 March 2020**

		<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	<b>Notes</b>		
<b>Fixed assets</b>			
Intangible fixed assets	<b>9</b>	-	56,659
Tangible fixed assets	<b>10</b>	85,207,649	80,727,996
		<u>85,207,649</u>	<u>80,784,655</u>
<b>Current assets</b>			
Stocks	<b>12</b>	155,609	112,201
Debtors: amounts falling due within one year	<b>13</b>	2,872,792	2,310,027
Debtors: amounts falling due after one year	<b>13</b>	-	74,845
Cash at bank and in hand		18,042,030	9,905,262
		<u>21,070,431</u>	<u>12,402,335</u>
<b>Creditors: amounts falling due within one year</b>	<b>14</b>	12,626,261	10,961,782
<b>Net current assets</b>		<u>8,444,170</u>	<u>1,440,553</u>
<b>Total assets less current liabilities</b>		93,651,819	82,225,208
<b>Creditors: amounts falling due after more than one year</b>	<b>15</b>	64,048,567	57,513,221
<b>Provision for liabilities</b>	<b>17</b>	1,575,872	1,411,041
<b>Net assets</b>		<u>28,027,380</u>	<u>23,300,946</u>
<b>Capital and reserves</b>			
Share capital	<b>18</b>	5,000	5,000
Hedging reserve	<b>19</b>	(777,950)	(433,240)
Profit and loss account	<b>19</b>	28,800,330	23,729,186
<b>Shareholders' funds</b>		<u>28,027,380</u>	<u>23,300,946</u>

The notes on pages 17 - 43 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the board on 25 November 2020 and signed on its behalf by:

*Aidan Hennessey*

**Aidan Hennessey**  
Director

*Gerard Hennessey*

**Gerard Hennessey**  
Director

Company registration number: SC100157

**Meallmore Limited and Subsidiaries**

**Company balance sheet  
as at 31 March 2020**

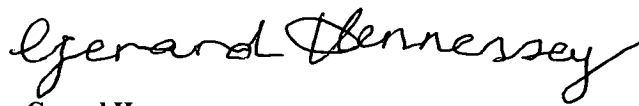
	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Tangible fixed assets	10	207,878	224,150
Investments	11	17,768,693	17,792,473
		<u>17,976,571</u>	<u>18,016,623</u>
<b>Current assets</b>			
Stocks	12	61,514	9,647
Debtors: amounts falling due within one year	13	9,815,191	7,830,534
Debtors: amounts falling due after one year	13	2,574,685	3,514,397
Cash at bank and in hand		13,097,847	7,287,604
		<u>25,549,237</u>	<u>18,642,182</u>
<b>Creditors: amounts falling due within one year</b>	14	23,297,319	15,305,438
<b>Net current assets</b>		<u>2,251,918</u>	<u>3,336,744</u>
<b>Net assets</b>		<u>20,228,489</u>	<u>21,353,367</u>
<b>Capital and reserves</b>			
Share capital	18	5,000	5,000
Profit and loss account	19	20,223,489	21,348,367
<b>Shareholders' funds</b>		<u>20,228,489</u>	<u>21,353,367</u>

The notes on pages 17 - 43 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the board on 25 November 2020 and signed on its behalf by:



**Aidan Hennessey**  
**Director**



**Gerard Hennessey**  
**Director**

**Registration number: SC100157**



**Meallmore Limited and Subsidiaries**

**Consolidated statement of changes in equity  
for the year ended 31 March 2020**

	<b>Called up share capital £</b>	<b>Hedging reserve £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
<b>At 1 April 2018</b>	<u>5,000</u>	<u>(133,012)</u>	<u>19,569,893</u>	<u>19,441,881</u>
Profit for the financial year	-	-	4,659,773	4,659,773
Dividends	-	-	(500,480)	(500,480)
Fair value movement on cash flow hedging instruments	-	(361,721)	-	(361,721)
Movement in deferred tax relating to cash flow hedging instruments	-	61,493	-	61,493
<b>Total comprehensive income for the financial year</b>	<u>-</u>	<u>(300,228)</u>	<u>4,159,293</u>	<u>3,859,065</u>
<b>At 31 March 2019</b>	<u>5,000</u>	<u>(433,240)</u>	<u>23,729,186</u>	<u>23,300,946</u>
Profit for the financial year	-	-	5,901,606	5,901,606
Dividends	-	-	(830,460)	(830,460)
Fair value movement on cash flow hedging instruments	-	(438,456)	-	(438,456)
Movement in deferred tax relating to cash flow hedging instruments	-	93,746	-	93,746
<b>Total comprehensive income for the financial year</b>	<u>-</u>	<u>(344,710)</u>	<u>5,071,146</u>	<u>4,726,436</u>
<b>At 31 March 2020</b>	<u>5,000</u>	<u>(777,950)</u>	<u>28,800,330</u>	<u>28,027,380</u>

**Meallmore Limited and Subsidiaries**

**Consolidated statement of cash flows  
for the year ended 31 March 2020**

	Notes	2020 £	2019 £
<b>Cash inflow from operating activities</b>	<b>21</b>	12,299,113	9,978,070
Interest paid		(1,952,731)	(1,964,627)
Interest received		59,686	4,279
Tax paid		(1,240,000)	(1,505,862)
<b>Net cash inflow from operating activities</b>		<u>9,166,068</u>	<u>6,511,860</u>
<b>Cash flows from investing activities</b>			
Payments to acquire tangible fixed assets		(6,740,149)	(3,021,410)
Receipts from sales of tangible fixed assets		-	-
<b>Net cash outflow from investing activities</b>		<u>(6,740,149)</u>	<u>(3,021,410)</u>
<b>Cash flows from financing activities</b>			
Net repayment of bank term loans		(3,480,643)	(5,654,116)
Bank loan drawdown		10,078,230	-
Hire purchase contracts		(56,277)	(82,830)
Dividends paid		(830,460)	(500,480)
<b>Net cash outflow from financing activities</b>		<u>5,710,850</u>	<u>(6,237,426)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		8,136,768	(2,746,976)
<b>Cash and cash equivalents at 1 April</b>		<u>9,905,262</u>	<u>12,652,238</u>
<b>Cash and cash equivalents at 31 March</b>		<u><u>18,042,030</u></u>	<u><u>9,905,262</u></u>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		18,042,030	9,905,262
Bank overdraft		-	-
	<b>22</b>	<u><u>18,042,030</u></u>	<u><u>9,905,262</u></u>

## **Meallmore Limited and Subsidiaries**

### **Notes forming part of the consolidated financial statements for the year ended 31 March 2020**

#### **1. Significant accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements:

##### **1.1. General information and basis of preparation**

Meallmore Limited is a private limited company incorporated in Scotland. The address of the registered office is given in the company information on page 1 of these financial statements. The nature of the group's operations and principal activities are the provision of nursing care services.

The financial statements have been prepared in accordance with The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the group.

##### **1.2. Basis of consolidation**

The consolidated financial statements include the financial statements of the company and its subsidiaries made up to 31 March 2020.

No Statement of Income and Retained Earnings has been presented for the company as permitted by Section 408 of the Companies Act 2006.

All intercompany profits, transactions and account balances have been eliminated. The results of subsidiaries are included in the consolidated financial statements from the date of acquisition up until the date of disposal as appropriate.

Upon the acquisition of a business, fair values are attributable to the identifiable net assets acquired. Goodwill arising on acquisition is dealt with as set out below.

##### **1.3. Turnover and other income**

Turnover and other income is measured at the fair value of the consideration receivable net of VAT and discounts. The policies adopted for the recognition of turnover and other income is as follows:

###### **Rendering of services**

When the outcome of a transaction can be estimated reliably, turnover from the provision of nursing care services is recognised by reference to the state of completion at the reporting date. The stage of completion is measured by reference to bed occupancy per day. Where the outcome cannot be measured reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

###### **Interest receivable**

Interest income is recognised using the effective interest method.

## **Meallmore Limited and Subsidiaries**

### **Notes forming part of the consolidated financial statements for the year ended 31 March 2020**

..... continued

#### **1.4. Goodwill**

Purchased goodwill arising on the acquisition of nursing homes and subsidiary undertakings represents the excess of the acquisition cost over the fair value of the identifiable net assets acquired.

Purchased goodwill is capitalised in the balance sheet and amortised over its estimated useful economic life of five years being the period during which the benefits are expected to accrue.

The carrying value of goodwill is reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may be impaired. Impairment losses are recognised in the Statement of Income.

#### **1.5. Investments**

In the parent company's financial statements, fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

#### **1.6. Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Buildings	-	2 - 10% straight line
Computer equipment	-	25% straight line
Plant and equipment	-	5 - 10% straight line
Fixtures and fittings	-	14 - 20% straight line
Motor vehicles	-	20% straight line

Depreciation is not provided for on freehold land.

Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of these assets.

## Meallmore Limited and Subsidiaries

### Notes forming part of the consolidated financial statements for the year ended 31 March 2020

..... continued

#### **1.7. Impairment of fixed assets**

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

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

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

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

#### **1.8. Stocks**

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is the expenditure incurred in the normal course of business in bringing the product to its present location and condition. Cost is calculated using the first in, first out basis.

#### **1.9. Employee benefits**

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

#### **1.10. Pensions**

The assets of the group's externally managed defined contribution funds are held separately from those of the group in independently administered funds. The amount charged to the Statement of Income represents the contributions payable to the schemes in respect of the accounting period.

## **Meallmore Limited and Subsidiaries**

### **Notes forming part of the consolidated financial statements for the year ended 31 March 2020**

..... continued

#### **1.11. Taxation**

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

#### **1.12. Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Income so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **1.13. Provisions**

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event and it is probable that an outflow of economic benefits will be required in settlement of that obligation and the amount can be reliably estimated.

#### **1.14. Derivative financial instruments**

The group uses interest rate swaps to manage its exposure to changes in interest rates.

Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through the Statement of Income unless they are included in a hedging arrangement. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of interest rate swap contracts is determined by calculating the present value of the estimated future cash flows based on observable yield curves.

**Meallmore Limited and Subsidiaries**

**Notes forming part of the consolidated financial statements  
for the year ended 31 March 2020**

..... continued

**1.15. Hedging arrangements**

The group applies hedge accounting for interest rate swaps which are held to manage the interest rate exposures of floating rate borrowings and which are designated as cash flow hedges.

Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the Statement of Income.

The gain or loss recognised in other comprehensive income is reclassified to the Statement of Income when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

**1.16. Finance costs**

Finance costs, other than those capitalised within tangible fixed assets, incurred directly in connection with the raising of debt are offset against the carrying amount of debt and are charged to the Statement of Income over the term of the debt, at a constant rate of the carrying amount.

**1.17. Cash and cash equivalents**

Cash, for the purpose of the Statement of Cash Flows, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**1.18. Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and which are receivable or payable within one year are recorded at the transaction price. Any losses arising from impairment are recognised in the Statement of Income in other administrative expenses.

**1.19. Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at the present value of future payments discounted at a market rate of interest.

**1.20. Dividends on shares presented within equity**

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Group. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

## **Meallmore Limited and Subsidiaries**

### **Notes forming part of the consolidated financial statements for the year ended 31 March 2020**

..... continued

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

No judgements have been made in the process of applying the above accounting policies. The following are the group's key sources of estimation uncertainty:

##### **Depreciation and tangible fixed assets**

The group establishes a reliable estimate of the expected useful life and residual value of tangible fixed assets. The estimate of expected useful life and residual value of an asset is based upon a variety of factors such as the age when acquired, the expected frequency of use and the repair policy of the group.

##### **Goodwill**

The group establishes a reliable estimate of the useful life of goodwill arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

##### **Impairment of non-financial assets**

Where there are indicators of impairment of individual assets, the group performs impairment tests based on either a fair value less costs to sell basis or a value in use basis. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from projections for the next twenty years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

There are no other key assumptions concerning the future or other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **2. Turnover**

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in Scotland.



**Meallmore Limited and Subsidiaries**

**Notes forming part of the consolidated financial statements  
for the year ended 31 March 2020**

..... continued

<b>3. Operating profit</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Operating profit is stated after charging:</b>		
Amortisation of goodwill	56,659	108,438
Depreciation of tangible fixed assets		
- on tangible fixed assets held under hire purchase contracts	23,814	23,814
- on other tangible fixed assets	2,236,682	1,923,128
Operating lease rentals		
- Land and buildings	91,804	104,378
- Other	171,122	171,122
Amounts receivable by auditor:		
- auditor's remuneration	15,000	15,000
- the audit of accounts of subsidiaries of the company	47,000	45,500
- taxation	21,700	18,500
- other	12,725	22,500
	<u>          </u>	<u>          </u>
 <b>4. Interest receivable and similar income</b>	 <b>2020</b>	 <b>2019</b>
	<b>£</b>	<b>£</b>
Bank deposit interest	59,686	4,279
	<u>          </u>	<u>          </u>
 <b>5. Interest payable and similar charges</b>	 <b>2020</b>	 <b>2019</b>
	<b>£</b>	<b>£</b>
Bank loan interest	1,955,176	1,955,319
Hire purchase interest	2,712	5,551
Other interest payable	4,084	3,757
	<u>          </u>	<u>          </u>
	1,961,972	1,964,627
Less: Finance costs capitalised	9,241	-
	<u>          </u>	<u>          </u>
	1,952,731	1,964,627
	<u>          </u>	<u>          </u>

In accordance with the group's accounting policy, bank loan and overdraft interest includes £32,846 (2019 : £67,923) of amortised finance costs.

**Meallmore Limited and Subsidiaries**

**Notes forming part of the consolidated financial statements  
for the year ended 31 March 2020**

..... continued

**6. Employees**

**Number of employees**

The average monthly number of employees  
(including the directors) during the year was:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Administration	108	108
Nursing, housekeeping and catering	1,583	1,515
	<u>1,691</u>	<u>1,623</u>

**Employment costs**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	31,755,514	30,182,808
Employer social security costs	2,446,900	2,148,727
Employee pension costs	597,752	457,740
	<u>34,800,166</u>	<u>32,789,275</u>

**6.1. Directors' emoluments**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	820,709	711,765
Pension contributions	39,563	40,130
	<u>860,272</u>	<u>751,895</u>

The following amounts are attributable to the highest paid director:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	<u>272,999</u>	<u>375,675</u>

One director accrues benefits under the group's pension scheme.

**Meallmore Limited and Subsidiaries**

**Notes forming part of the consolidated financial statements  
for the year ended 31 March 2020**

..... continued

**7. Pension costs**

The group operates a number of defined contribution pension schemes, including schemes covered by the requirements of auto-enrolment legislation. The assets of the schemes are held separately from those of the group in independently administered funds. The charge for the year represents the contributions payable by the group to the schemes and amounted to £597,752 (2019 : £457,740). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

**8. Taxation**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>(a) Analysis of charge per Statement of Income for the year</b>		
<b>Current tax:</b>		
Corporation tax	1,473,752	1,191,163
Adjustments in respect of previous years	(160)	(4,615)
Total current tax	<u>1,473,592</u>	<u>1,186,548</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	92,696	123,000
Effect of changes of tax rate on opening liability	165,881	-
Total deferred tax (note 17)	<u>258,577</u>	<u>123,000</u>
<b>Tax charge on profit on ordinary activities (note 8 (c))</b>	<u><u>1,732,169</u></u>	<u><u>1,309,548</u></u>
<b>(b) Analysis of credit per Statement of Comprehensive Income for the year</b>		
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(74,537)	(61,493)
Effect of changes of tax rate on opening liability	(19,209)	-
Total deferred tax (note 17)	<u>(93,746)</u>	<u>(61,493)</u>
<b>Tax credit per other comprehensive income</b>	<u><u>(93,746)</u></u>	<u><u>(61,493)</u></u>

**Meallmore Limited and Subsidiaries**

**Notes forming part of the consolidated financial statements  
for the year ended 31 March 2020**

..... continued

**8. Taxation continued**

<b>(c) Reconciliation between the tax expense included in the statement of income and the profit on ordinary activities before tax multiplied by the applicable tax rate</b>	<b>2020 £</b>	<b>2019 £</b>
Profit on ordinary activities before tax	7,633,775	5,969,321
Profit on ordinary activities multiplied by standard rate of corporation tax at 19% (2019: 19%)	1,450,417	1,134,171
<b>Effects of :</b>		
Non tax deductible expenses	63,155	1,515
Permanent differences	113,186	195,366
Capital allowances in excess of depreciation	(146,983)	(145,142)
Other timing differences	(4,267)	5,253
Capitalised interest	(1,756)	-
Adjustments in respect of previous years	(160)	(4,615)
Deferred tax charge	258,577	123,000
<b>Total tax charge for the year (note 8 (a))</b>	<u>1,732,169</u>	<u>1,309,548</u>

**(d) Other timing differences**

During the year ended 31 March 1990, a subsidiary company disposed of business assets which at the time gave rise to a taxable gain. The taxable gain was deferred through replacement asset relief. Deferred taxation has been provided for in accordance with FRS 102 Section 29 (note 17).

**9. Intangible fixed assets**

<b>Group</b>	<b>Goodwill £</b>
<b>Cost</b>	
At 1 April 2019 and at 31 March 2020	<u>1,935,968</u>
<b>Amortisation</b>	
At 1 April 2019	1,879,309
Amortised during the year	56,659
At 31 March 2020	<u>1,935,965</u>
<b>Net book values</b>	
At 31 March 2020	<u>-</u>
At 31 March 2019	<u>56,659</u>

**Meallmore Limited and Subsidiaries**

**Notes forming part of the consolidated financial statements  
for the year ended 31 March 2020**

..... continued

**10. Tangible fixed assets**

<b>Group</b>	<b>Freehold land and buildings £</b>	<b>Computer equipment £</b>	<b>Plant and equipment £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>						
At 1 April 2019	87,447,215	950,582	3,395,140	8,323,014	4,460	100,120,411
Additions	6,554,656	-	40,489	145,004	-	6,740,149
Disposals	-	(377,083)	(1,190,921)	(2,015,089)	(4,460)	(3,587,553)
At 31 March 2020	<u>94,001,871</u>	<u>573,499</u>	<u>2,244,708</u>	<u>6,452,929</u>	<u>-</u>	<u>103,273,007</u>
<b>Depreciation</b>						
At 1 April 2019	8,870,344	866,858	2,613,388	7,037,365	4,460	19,392,415
Released on disposal	-	(377,083)	(1,190,921)	(2,015,089)	(4,460)	(3,587,553)
Charge for the year	<u>1,633,309</u>	<u>31,991</u>	<u>152,327</u>	<u>442,869</u>	<u>-</u>	<u>2,260,496</u>
At 31 March 2020	<u>10,503,653</u>	<u>521,766</u>	<u>1,574,794</u>	<u>5,465,145</u>	<u>-</u>	<u>18,065,358</u>
<b>Net book values</b>						
At 31 March 2020	<u>83,498,218</u>	<u>51,733</u>	<u>669,914</u>	<u>987,784</u>	<u>-</u>	<u>85,207,649</u>
At 31 March 2019	<u>78,576,871</u>	<u>83,724</u>	<u>781,752</u>	<u>1,285,649</u>	<u>-</u>	<u>80,727,996</u>

Included in the cost of tangible fixed assets is £1,267,568 (2019 : £1,258,327) in respect of capitalised finance costs.

Included within freehold land and buildings is land with a cost of £17,632,068 (2019 : £17,632,068).

During the year the carrying value of tangible fixed assets, which are due to be replaced over the next years, were reviewed by the directors and as a result additional depreciation amounting to £697,417 was charged to freehold land and buildings.

Included above are assets held under hire purchase contracts as follows:

<b>Asset description</b>	<b>2020</b>		<b>2019</b>	
	<b>Net book value £</b>	<b>Depreciation charge £</b>	<b>Net book value £</b>	<b>Depreciation charge £</b>
Plant and equipment	<u>134,893</u>	<u>23,837</u>	<u>382,350</u>	<u>23,814</u>

**Meallmore Limited and Subsidiaries**

**Notes forming part of the consolidated financial statements  
for the year ended 31 March 2020**

..... continued

**10. Tangible fixed assets (continued.....)**

<b>Company</b>	<b>Freehold land and buildings £</b>	<b>Computer equipment £</b>	<b>Plant and equipment £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>						
At 1 April 2019	180,524	449,628	19,030	190,745	-	839,928
Additions	-	-	-	-	-	-
Disposals	-	(377,083)	-	-	-	(377,083)
At 31 March 2020	<u>180,524</u>	<u>72,545</u>	<u>19,030</u>	<u>190,745</u>	<u>-</u>	<u>462,845</u>
<b>Depreciation</b>						
At 1 April 2019	11,450	433,040	10,089	161,198	-	615,778
Released on disposal	-	(377,083)	-	-	-	(377,083)
Charge for the year	<u>715</u>	<u>6,869</u>	<u>1,908</u>	<u>6,780</u>	<u>-</u>	<u>16,272</u>
At 31 March 2020	<u>12,165</u>	<u>62,827</u>	<u>11,997</u>	<u>167,978</u>	<u>-</u>	<u>254,967</u>
<b>Net book values</b>						
At 31 March 2020	<u>168,360</u>	<u>9,718</u>	<u>7,033</u>	<u>22,766</u>	<u>-</u>	<u>207,878</u>
At 31 March 2019	<u>169,074</u>	<u>16,588</u>	<u>8,941</u>	<u>29,547</u>	<u>-</u>	<u>224,150</u>

**Meallmore Limited and Subsidiaries**

**Notes forming part of the consolidated financial statements  
for the year ended 31 March 2020**

..... continued

**11. Investments**

**Investments in subsidiary undertakings**

	<b>Nevisbridge Limited £</b>	<b>Airthrey Care Limited £</b>	<b>Ganarn Limited £</b>	<b>Meallmore (Development Properties) Limited £</b>	<b>Hilton Development Properties Limited £</b>	<b>Subtotal C/fwd £</b>
<b>Cost</b>						
At 1 April 2019	2,003,044	2,355,007	6,164,764	860,100	100	11,383,015
Additions	-	-	-	300,000	-	300,000
At 31 March 2020	2,003,044	2,355,007	6,164,764	1,160,100	100	11,683,015
<b>Provisions for diminution in value:</b>						
At 1 April 2019	-	-	-	809,522	-	809,522
Impairment	-	-	-	324,180	-	324,180
At 31 March 2020	-	-	-	1,133,702	-	1,133,702
<b>Net book values</b>						
At 31 March 2020	2,003,044	2,355,007	6,164,764	26,398	100	10,549,313
At 31 March 2019	2,003,044	2,355,007	6,164,764	50,578	100	10,573,493

	<b>Subtotal B/fwd £</b>	<b>Hilton Rehabilitation Limited £</b>	<b>Daviot Care Limited £</b>	<b>Antonine Care Limited £</b>	<b>Rhindsdale House Limited £</b>	<b>Subtotal C/fwd £</b>
<b>Cost</b>						
At 1 April 2019	11,383,015	100	5,632,736	1,585,444	100	18,601,395
Additions	300,000	-	-	-	-	300,000
At 31 March 2020	11,683,015	100	5,632,736	1,585,444	100	18,901,395
<b>Provisions for diminution in value:</b>						
At 1 April 2019	809,522	-	-	-	-	809,522
Impairment	324,180	-	-	-	-	324,180
At 31 March 2020	1,133,702	-	-	-	-	1,133,702
<b>Net book values</b>						
At 31 March 2020	10,549,313	100	5,632,736	1,585,444	100	17,767,693
At 31 March 2019	10,573,493	100	5,632,736	1,585,444	100	17,791,873

**Meallmore Limited and Subsidiaries**

**Notes forming part of the consolidated financial statements  
for the year ended 31 March 2020**

..... continued

**11. Investments (continued.....)**

**Investments in subsidiary undertakings**

	<b>Subtotal B/fwd £</b>	<b>Mearns Care Limited Total £</b>	<b>Culduthel Care Limited Total £</b>	<b>Doonfoot Care Limited Total £</b>	<b>Alderwood House Limited Total £</b>	<b>Subtotal C/fwd £</b>
<b>Cost</b>						
At 1 April 2019	18,601,395	100	100	100	100	18,601,795
Additions	300,000	-	-	-	-	300,000
At 31 March 2020	18,901,395	100	100	100	100	18,901,795
<b>Provisions for diminution in value:</b>						
At 1 April 2019	809,522	-	-	-	-	809,522
Impairment	324,180	-	-	-	-	324,180
At 31 March 2020	1,133,702	-	-	-	-	1,133,702
<b>Net book values</b>						
At 31 March 2020	17,767,693	100	100	100	100	17,768,093
At 31 March 2019	17,791,873	100	100	100	100	17,792,273

	<b>Subtotal B/fwd £</b>	<b>Bayview Care Home Limited Total £</b>	<b>The Willows (Falkirk) Limited Total £</b>	<b>Crimond Care Limited Total £</b>	<b>Daviot Care Home Limited Total £</b>	<b>Subtotal C/fwd £</b>
<b>Cost</b>						
At 1 April 2019	18,601,795	100	100	-	-	18,601,995
Additions	300,000	-	-	100	100	300,200
At 31 March 2020	18,901,795	100	100	100	100	18,902,195
<b>Provisions for diminution in value:</b>						
At 1 April 2019	809,522	-	-	-	-	809,522
Impairment	324,180	-	-	-	-	(324,180)
At 31 March 2020	1,133,702	-	-	-	-	1,133,702
<b>Net book values</b>						
At 31 March 2020	17,768,093	100	100	100	100	17,768,493
At 31 March 2019	17,792,273	100	100	-	-	17,792,473



**Meallmore Limited and Subsidiaries**

**Notes forming part of the consolidated financial statements  
for the year ended 31 March 2020**

..... continued

**11. Investments (continued.....)**

**Investments in subsidiary undertakings**

	<b>Subtotal</b>	<b>Grove Care</b>	<b>Bellaire</b>	
	<b>B/fwd</b>	<b>Home Limited</b>	<b>Care</b>	
	<b>£</b>	<b>Total</b>	<b>Limited</b>	<b>Total</b>
		<b>£</b>	<b>Total</b>	<b>£</b>
<b>Cost</b>				
At 1 April 2019	18,601,995	-	-	18,601,995
Additions	300,200	100	100	300,400
At 1 April 2019 and At 31 March 2020	18,902,195	100	100	18,902,395
<b>Provisions for diminution in value:</b>				
At 1 April 2019	809,522	-	-	809,522
Impairment	324,180	-	-	324,180
Disposals	-	-	-	-
At 31 March 2020	1,133,702	-	-	1,133,702
<b>Net book values</b>				
At 31 March 2020	17,768,493	100	100	17,768,693
At 31 March 2019	17,792,473	-	-	17,792,473

During the year, Meallmore Limited waived £300,000 of intercompany debt due from one of its subsidiary undertakings, Meallmore (Development Properties) Limited. The waiver of the intercompany debt was treated as a capital contribution.

The directors reviewed the carrying value of the company's investment in Meallmore (Development Properties) Limited and made an additional provision of £324,180 against the investment.

## **Meallmore Limited and Subsidiaries**

### **Notes forming part of the consolidated financial statements for the year ended 31 March 2020**

..... continued

#### **11. Investments (continued.....)**

##### **Investments in subsidiary undertakings**

Details of the company's subsidiary undertakings are as follows:

Nevisbridge Limited, Airthrey Care Limited, Ganarn Limited, Hilton Rehabilitation Limited, Daviot Care Limited, Antonine Care Limited, Rhindsdale House Limited, Mearns Care Limited, Culduthel Care Limited, Doonfoot Care Limited, Alderwood House Limited, Bayview Care Home Limited and The Willows (Falkirk) Limited are 100% subsidiaries of the company. These subsidiaries carry on the trade of nursing home operators in Scotland and are all registered in the UK with a registration office address at Caulfield House, Cradlehall Business Park, Inverness, IV2 5GH.

St Modans Care Home Limited is a 100% owned subsidiary of Hilton Rehabilitation Limited. St Modans Care Home Limited carries on the trade of nursing home operator in Scotland and is registered in the UK with a registered office address at Caulfield House, Cradlehall Business Park, Inverness, IV2 5GH.

Meallmore (Development Properties) Limited and Hilton Development Properties are 100% owned subsidiaries of the company. These subsidiaries carry on the trade of building contractors and property developers in Scotland and are registered in the UK with a registered office address at Caulfield House, Cradlehall Business Park, Inverness, IV2 5GH.

Crimond Care Limited, Daviot Care Home Limited, Grove Care Home Limited and Belleaire Care Limited are 100% owned subsidiaries of the company. These companies were non trading during the year and are all registered in the UK with a registered office address at Caulfield House, Cradlehall Business Park, Inverness, IV2 5GH.

Meallmore Limited has guaranteed Crimond Care Limited (Registered number: SC647478), Daviot Care Home Limited (Registered number: SC647501, Grove Care Home Limited (Registered number: SC647502) and Belleaire Care Limited (Registered number: SC647482) under Section 394C (exemption from preparation of financial statements) of the Companies Act 2006.

**Meallmore Limited and Subsidiaries**

**Notes forming part of the consolidated financial statements  
for the year ended 31 March 2020**

..... continued

**12. Stocks**

<b>Group</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Consumables	<u>155,609</u>	<u>112,201</u>
<b>Company</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Consumables	<u>61,514</u>	<u>9,647</u>

If stocks were stated at replacement cost (latest purchase price) they would not differ materially from the above.

**13. Debtors**

<b>Group</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	2,435,867	1,932,121
Derivative financial instruments (note 16)	-	76,962
Prepayments and other debtors	<u>436,925</u>	<u>375,789</u>
	<u>2,872,792</u>	<u>2,384,872</u>

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>

Amounts falling due after more than one year and included in debtors are:

Derivative financial instruments (note 16)	<u>-</u>	<u>74,845</u>
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<b>Company</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	4,962	7,871
Amounts due from subsidiary undertakings	12,203,041	11,170,147
Corporation tax	1,586	761
Prepayments and other debtors	<u>180,287</u>	<u>166,152</u>
	<u>12,389,876</u>	<u>11,344,931</u>

During the year, Meallmore Limited waived £300,000 of intercompany debt due from one of its subsidiary undertakings, Meallmore (Development Properties) Limited. The waiver of the intercompany debt was treated as a capital contribution.

**Meallmore Limited and Subsidiaries**

**Notes forming part of the consolidated financial statements  
for the year ended 31 March 2020**

..... continued

**13. Debtors (continued)**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Amounts falling due after more than one year and included in debtors are:		
Amounts due from subsidiary undertakings	2,574,685	3,514,397

Repayments of the amounts due from subsidiary undertakings after one year are subordinated to the loan facilities provided by the group's bankers. Interest is payable at 2% on the principal amount.

**14. Creditors: amounts falling due within one year**

<b>Group</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans (note 16)	3,604,191	3,122,136
Net obligations under hire purchase contracts (note 16)	30,624	56,286
Trade creditors	4,442,982	3,638,014
Corporation tax	748,080	514,488
PAYE and social security costs	839,998	688,663
VAT	14,462	18,874
Other creditors	8,554	7,578
Accruals	2,738,197	2,637,932
Derivative financial instruments (note 16)	199,173	277,811
	<u>12,626,261</u>	<u>10,961,782</u>

Creditors above include:

Secured liabilities (note 16)	3,833,988	3,456,233
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<b>Company</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	162,554	129,406
Amounts due to subsidiary undertakings	22,715,229	14,744,731
PAYE and social security costs	169,513	168,538
VAT	-	18,874
Accruals	250,023	243,889
	<u>23,297,319</u>	<u>15,305,438</u>

**Meallmore Limited and Subsidiaries**

**Notes forming part of the consolidated financial statements  
for the year ended 31 March 2020**

..... continued

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

	<b>2020</b>	<b>2019</b>
<b>Group</b>	<b>£</b>	<b>£</b>
Bank loans (note 16)	63,006,226	56,890,694
Derivative financial instruments (note 16)	1,034,484	584,055
Net obligations under hire purchase contracts (note 16)	7,857	38,472
	<u>64,048,567</u>	<u>57,513,221</u>
Creditors above include:		
Secured liabilities (note 16)	<u>64,048,567</u>	<u>57,513,221</u>
Amounts repayable by instalments after more than five years	<u>42,965,253</u>	<u>32,200,621</u>

## **Meallmore Limited and Subsidiaries**

### **Notes forming part of the consolidated financial statements for the year ended 31 March 2020**

..... continued

#### **16. Borrowings and securities**

##### **Securities**

As security for certain of the group's bank loans Santander Plc holds a first ranking floating charge over all of the assets of Hilton Rehabilitation Limited, Nevisbridge Limited, Airthrey Care Limited, Ganarn Limited, St. Modans Care Home Limited, Culduthel Care Limited and Bayview Care Home Limited together with a fixed charge over all of the property assets of these companies.

Meallmore Limited has provided Santander Plc with share pledges over its respective shareholdings in Hilton Rehabilitation Limited, Nevisbridge Limited, Airthrey Care Limited, Ganarn Limited, Culduthel Care Limited and Bayview Care Home Limited. Hilton Rehabilitation Limited has provided Santander Plc with a share pledge over its share holding in St. Modans Care Home Limited.

As security for certain of the group's bank loans, Bank of Scotland holds a first ranking floating charge over all of the assets of Daviot Care Limited together with a fixed charge over all of the property assets of Daviot Care Limited.

As security for certain of the group's bank loans, HSBC Bank plc holds a first ranking floating charge over all of the assets of Antonine Care Limited and Alderwood House Limited together with a fixed charge over all of the property assets of Antonine Care Limited and Alderwood House Limited.

As security for certain of the group's bank loans, Clydesdale Bank plc holds a first ranking floating charge over all the assets of Mearns Care Limited and Doonfoot Care Limited together with a fixed charge over all of the assets of Mearns Care Limited and Doonfoot Care Limited. Meallmore Limited has provided Clydesdale Bank plc with a limited fill-up guarantee.

As security for certain of the group's bank loans, Triodos Bank N.V. holds a first ranking floating charge over all of the assets of Rhindsdale House Limited and a first ranking fixed charge over all of the property assets of Rhindsdale House Limited.

Lombard North Central Plc hold specific charges over assets held under hire purchase contracts.

## **Meallmore Limited and Subsidiaries**

### **Notes forming part of the consolidated financial statements for the year ended 31 March 2020**

..... continued

#### **16. Borrowings and securities (continued)**

##### **Borrowing terms**

###### **Santander Plc**

The Santander Plc term loan is repayable by way of 40 quarterly interest and capital repayments commencing in April 2016 and ending in March 2026. The continued provision of banking facilities is subject to ongoing compliance with financial covenants.

###### **Bank of Scotland**

The Bank of Scotland term loan is repayable by way of 42 quarterly interest and capital repayments commencing in February 2011 and ending in April 2021. The continued provision of banking facilities is subject to ongoing compliance with financial covenants.

###### **HSBC Bank plc**

The HSBC Bank plc term loan is repayable by way of 40 quarterly interest and capital repayments commencing in August 2016 and ending in May 2026. The continued provision of banking facilities is subject to ongoing compliance with financial covenants.

###### **Clydesdale Bank plc**

The Clydesdale Bank plc term loan is repayable by way of 26 quarterly interest and capital repayments commencing in October 2017 and ending in January 2024. The continued provision of banking facilities is subject to ongoing compliance with financial covenants.

###### **Triodos N.V.**

The Triodos Bank N.V. term loan is repayable by way of 77 quarterly interest and capital repayments commencing in April 2020 and ending in April 2039. The continued provision of banking facilities is subject to ongoing compliance with financial covenants.

##### **Derivative financial instruments**

The group uses interest rate swaps to manage its exposure to changes in interest rates. The interest rate swap has fixed rates ranging from 0.81% to 1.94% (plus margin) and expires in 2026. In accordance with the group's accounting policy, the fair value of these derivative instruments is recognised at the reporting date.

##### **Arrangement fees**

Loan arrangement fees are capitalised and in accordance with the group's accounting policy, the fees are being amortised over the period of the loan at a constant rate of the carrying amount. The unamortised costs at 2020 were £131,479 (2019 : £164,325).

**Meallmore Limited and Subsidiaries**

**Notes forming part of the consolidated financial statements  
for the year ended 31 March 2020**

..... continued

**17. Provision for liabilities**

**Deferred taxation**

	<b>2020</b>	<b>2019</b>
<b>Group</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	1,568,278	1,329,875
On derivative financial instruments recognised at fair value	(182,482)	(88,736)
Other timing differences (note 8 (d))	43,641	39,047
Capitalised interest	146,435	130,855
	<u>1,575,872</u>	<u>1,411,041</u>

Movements on the provision for deferred taxation are:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>At 1 April</b>	1,411,041	1,349,535
Transferred from profit and loss account (note 8 (a))	258,577	122,999
Transferred to hedging reserve (note 8 (b))	(93,746)	(61,493)
<b>At 31 March</b>	<u>1,575,872</u>	<u>1,411,041</u>

**18. Share capital**

	<b>2020</b>	<b>2019</b>
<b>Group and Company</b>	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid share capital</b>		
1,000 ordinary shares of £1 each	1,000	1,000
4,000 "A" ordinary shares of £1 each	4,000	4,000
	<u>5,000</u>	<u>5,000</u>



**Meallmore Limited and Subsidiaries**

**Notes forming part of the consolidated financial statements  
for the year ended 31 March 2020**

..... continued

**19. Reserves**

**Group and Company**

**Profit and loss account**

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

The company has availed of the exemption under Section 408 of the Companies Act 2006 not to present the company Statement of Income and Retained Earnings. The loss for the company for the year was £294,418 (2019 - £366,118).

**Group**

**Hedging reserve**

The hedging reserve is used to record transactions arising from the group's cash flow hedging arrangements.

**20. Dividends**

	<b>2020</b>	<b>2019</b>
<b>Group and Company</b>	<b>£</b>	<b>£</b>
<b>Dividends on ordinary shares:</b>		
Dividend of £830 per ordinary share (2019 : £500 per ordinary share)	<u>830,000</u>	<u>500,000</u>
<b>Dividends on "A" ordinary shares:</b>		
Dividend of £0.115 per "A" ordinary share (2019 : £0.12 per "A" ordinary share)	<u>460</u>	<u>480</u>

**Meallmore Limited and Subsidiaries**

**Notes forming part of the consolidated financial statements  
for the year ended 31 March 2020**

..... continued

**21. Reconciliation of profit to cash inflow from operating activities**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	5,901,606	4,659,773
Net loss/(gain) on derivative financial instruments recognised at fair value	10,296	(94,007)
Interest payable and similar charges	1,952,731	1,964,627
Interest receivable and similar income	(59,686)	(4,279)
Tax on profit on ordinary activities	1,732,169	1,309,548
Operating profit	9,537,116	7,835,662
Depreciation	2,260,496	1,946,942
Amortisation of goodwill	56,659	108,438
Increase in stocks	(43,408)	(21,571)
(Increase)/decrease in debtors	(564,882)	4,464
Increase in creditors	1,053,132	104,135
<b>Cash inflow from operating activities</b>	<b>12,299,113</b>	<b>9,978,070</b>

**22. Analysis of changes in net debt**

	<b>Balance at 1 April 2019</b>	<b>Cash flows</b>	<b>Non cash changes</b>	<b>Balance at 31 March 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Short-term borrowings	3,122,136	(3,122,136)	3,604,191	3,604,191
Long-term borrowings	56,890,694	9,719,724	(3,604,191)	63,006,227
Total liabilities	60,012,830	6,597,588	-	66,610,417
Cash and cash equivalents	9,905,262	8,136,768	-	18,042,030
Total net debt	50,107,568	(1,539,180)	-	48,568,387

**23. Capital commitments**

At the reporting date the group had capital commitments of £7.3m (2019 : £nil).

At the reporting date the company had no capital commitments (2019 : £nil).

# Meallmore Limited and Subsidiaries

## Notes forming part of the consolidated financial statements for the year ended 31 March 2020

..... continued

### 24. Operating lease commitments

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

#### Group and company

	2020 £	2019 £
Not later than 1 year	190,093	203,069
Later than 1 year and not later than 5 years	425,451	415,504
Later than 5 years	375,000	450,000
	<u>990,544</u>	<u>1,068,573</u>

### 25. Related party transactions and control

The ultimate controlling parties of Meallmore Limited are Aidan Hennessey and Gerard Hennessey.

Key management personnel compensation in the year totalled £1,135,174 (2019 : £1,088,395)

Information about related party transactions and outstanding balances is outlined below:

	Transaction value		Balance owed by/ (owed to) related parties	
	2020 £	2019 £	2020 £	2019 £
<b>Key management personnel of the company</b>				
Rent paid to directors and close family members	<u>88,804</u>	<u>101,378</u>	<u>-</u>	<u>-</u>

### 26. Parent undertaking

The largest group in which the results of the company are consolidated is that headed by the company. No other group financial statements include the results of the company. The consolidated financial statements of Meallmore Limited are available to the public and may be obtained from Companies House, Fourth Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

**Meallmore Limited and Subsidiaries**

**Notes forming part of the consolidated financial statements  
for the year ended 31 March 2020**

..... continued

**27. Financial instruments**

**Group**

The carrying amounts of the group's financial instruments are as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Trade debtors (note 13)	2,435,867	1,932,121
Cash at bank and in hand	18,042,030	9,905,262
	<u>20,477,897</u>	<u>11,837,383</u>
<b>Financial assets measured at fair value</b>		
Derivative financial instruments (note 13)	<u>-</u>	<u>76,962</u>
<b>Financial liabilities measured at amortised cost</b>		
Bank loan (notes 14 and 15)	66,610,417	60,012,830
Trade creditors (note 14)	4,442,982	3,638,014
Net obligations under hire purchase contracts (notes 14 and 15)	38,481	94,758
	<u>71,091,880</u>	<u>63,745,602</u>
<b>Financial liabilities measured at fair value</b>		
Derivative financial instruments (notes 14 and 15)	<u>1,233,657</u>	<u>861,866</u>

The income, expenses, net gains and net losses attributable to the group's financial instruments are summarised as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Income/(expenses)</b>		
Financial assets measured at amortised cost	59,686	4,279
Financial liabilities measured at amortised cost	<u>(1,952,731)</u>	<u>(1,964,627)</u>

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through the Statement of Income was £59,686 (2019 - £4,279) and £1,952,731 (2019 - £1,964,627) respectively.

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Net gains/(losses) (including changes in fair value)</b>		
Financial liabilities measured at fair value		
- Hedging (loss)/gain recognised in the Statement of Income	(10,296)	94,007
- Hedging loss recognised in other comprehensive income	<u>(438,456)</u>	<u>(361,721)</u>

**Meallmore Limited and Subsidiaries**

**Notes forming part of the consolidated financial statements  
for the year ended 31 March 2020**

..... continued

**27. Financial instruments (continued)**

**Group continued**

The derivative financial instruments relate to interest rate swaps which the group uses to manage changes in interest rates. The fair values are determined by calculating the present value of the estimated future cash flows based on observable yield curves.

**Company**

The carrying amounts of the company's financial instruments are as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Trade debtors (note 13)	4,962	7,871
Amounts due from subsidiary undertakings (note 13)	12,203,041	11,170,147
Cash at bank and in hand	13,097,847	7,282,604
	<u>25,305,850</u>	<u>18,460,622</u>
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors (note 14)	162,554	129,406
Amounts due to subsidiary undertakings (note 14)	22,579,102	14,744,731
	<u>22,741,656</u>	<u>14,874,137</u>

The income, expenses, net gains and net losses attributable to the company's financial instruments are summarised as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Income/(expenses)</b>		
Financial assets measured at amortised cost	118,874	89,988
Financial liabilities measured at amortised cost	<u>-</u>	<u>(212,394)</u>

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through the Statement of Income and Retained Earnings was £118,874 (2019 - £89,988) and £nil (2019 - £212,394) respectively.