

Company Number: SC100157

**Meallmore Limited**

**Reports and Consolidated Financial Statements**

**for the financial year ended 31 March 2021**

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## **Meallmore Limited**

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## **Meallmore Limited**

### **Directors and Other Information**

#### **Directors**

Aidan Hennessey  
Gerard Hennessey  
Cillian Hennessey  
Ciara Hennessey  
Colin Rutherford  
Gillian Watson  
Gavin MacKenzie  
Mary Preston

#### **Company Secretary**

Gavin MacKenzie

#### **Company Number**

SC100157

#### **Registered Office**

Caulfield House  
Cradlehall Business Park  
Inverness  
IV2 5GH

#### **Auditors**

MCI  
Chartered Accountants and Registered Auditors  
Sentinel House  
13 Pump Street  
Derry  
BT48 6JG

# **Meallmore Limited**

## **Strategic Report**

### **for the financial year ended 31 March 2021**

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

Group turnover increased by 3.26% largely reflecting increased fee rates. Recruitment and retention of staff remain critical to delivering quality care, and the current labour market remains challenging. 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 excluding depreciation, are on par with 2020.

Important 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 company, 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.

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

Whilst the effect of COVID-19 has impacted on the operations of the business, the financial effect of lower occupancy and increased costs has been largely mitigated by additional revenues. Post year-end occupancy has continued to recover and we continue with many mitigating measures to protect residents and staff.

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.

#### **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 risk areas and uncertainties:

- Financial risks
- Regulatory environment

#### **Financial Risks**

##### **Banking covenants**

The continued provision of banking facilities to the borrowing 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.

##### **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.

##### **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.

#### **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, plus additional oversight from other government agencies. 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 group practices and procedures comply with care regulations.

**Meallmore Limited**  
**Strategic Report**  
**for the financial year ended 31 March 2021**

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

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


They 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 group operates in.

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

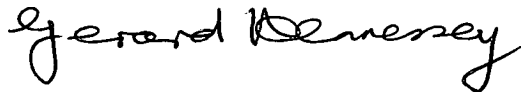
For more information, please visit our website ([www.meallmore.co.uk](http://www.meallmore.co.uk)).

**On behalf of the board**

**Aidan Hennessey**  
**Director**



**Gerard Hennessey**  
**Director**



**23 November 2021**

# **Meallmore Limited**

## **Directors' Report**

### **for the financial year ended 31 March 2021**

The directors present their report and the audited financial statements for the financial year ended 31 March 2021.

#### **Principal Activity**

The nature of the group's operations and principal activities are the provision of nursing care services.

#### **Results and Dividends**

The profit for the financial year after providing for depreciation and taxation amounted to £5,259,424 (2020 - £5,901,608).

The directors have paid an interim dividend amounting to £622,980 and they do not recommend payment of a final dividend.

#### **Directors**

The directors who served during the financial year are as follows:

Aidan Hennessey  
Gerard Hennessey  
Cillian Hennessey  
Ciara Hennessey  
Colin Rutherford  
Gillian Watson  
Gavin MacKenzie  
Mary Preston

#### **Future Developments**

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

#### **Post Balance Sheet Events**

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

#### **Political Contributions**

There were no political contributions made during the year.

#### **Company Policy on employing disabled people**

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.

# **Meallmore Limited**

## **Directors' Report**

### **for the financial year ended 31 March 2021**

#### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Strategic Report, 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 period.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### **Auditors**

The auditors, MCI, (Chartered Accountants and) have indicated their willingness to continue in office in accordance with the provisions of Section 485 of the Companies Act 2006.

#### **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.

# Meallmore Limited

## Directors' Report

### for the financial year ended 31 March 2021

#### 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 3,755 tCO<sub>2</sub>e, which is an average impact of 2.10 tCO<sub>2</sub>e per employee and 3.07 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.

#### 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 2020 to 31 March 2021 are as follows:

	<u>Emission source</u>	<u>Emissions tCO<sub>2</sub>e1</u>
Scope 1	Natural gas	2,037
	Consumption of fuel for the purposes of transport	91
	Biomass (wood pellets)	65
Scope 2	Purchased electricity	1,562
Total emissions		3,755
Carbon intensity per employee:	tCO <sub>2</sub> e per employee	2.10
Carbon intensity per bed:	tCO <sub>2</sub> e per bed	3.07

#### 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.



**Meallmore Limited**  
**Directors' Report**  
**for the financial year ended 31 March 2021**

On behalf of the board

Aidan Hennessey  
Director

Handwritten signature of Aidan Hennessey in black ink.

Gerard Hennessey  
Director

Handwritten signature of Gerard Hennessey in black ink.

23 November 2021

# **Independent Auditor's Report to the Shareholders of Meallmore Limited**

## **Report on the audit of the financial statements**

### **Opinion**

We have audited the group and parent company financial statements of Meallmore Limited and its subsidiaries ('the group') for the financial year ended 31 March 2021 which comprise the Group Profit and Loss Account, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies set-out in note 2. 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, when reporting in accordance with a fair presentation framework the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2021 and of the group's profit and cash flows for the financial year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **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 contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### **Opinion 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.

## **Independent Auditor's Report to the Shareholders of Meallmore Limited**

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

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept by the parent company; or
- 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 for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities, 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 they 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Making enquiries of group solicitor with regard to ongoing litigation or instances of non-compliance with laws and regulations;
- Making enquiries of management with regard to ongoing litigation or instances of non-compliance with laws and regulations;
- Making enquiries of management with regard to actual or potential instances of fraud;
- Reviewing actual to budget reports for significant unusual variances;
- Reviewing related party transactions for significant unusual activity;
- Reviewing nominal journals and sales/purchase ledger adjustment for significant unusual activity;
- Testing cut-off procedures and calculations.

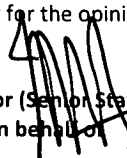
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is contained in the appendix to this report, located at page 13, which is to be read as an integral part of our report.

## **Independent Auditor's Report to the Shareholders of Meallmore Limited**

### **Use of our report**

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

  
**Ian McIvor (Senior Statutory Auditor)**  
**for and on behalf of**  
**MCI**

Chartered Accountants and Registered Auditors  
Sentinel House  
13 Pump Street  
Derry  
BT48 6JG

**23 November 2021**

## **Meallmore Limited**

### **Appendix to the Independent Auditor's Report**

#### **Further information regarding the scope of our responsibilities as auditor**

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 and the parent company'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 and 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 and the parent company to cease to continue as a going concern.
- 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.

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.

**Meallmore Limited**  
**Consolidated Profit and Loss Account**  
**for the financial year ended 31 March 2021**

	Notes	2021 £	2020 £
<b>Turnover</b>	4	58,188,376	56,348,127
Cost of sales		(37,896,003)	(34,743,038)
<b>Gross profit</b>		20,292,373	21,605,089
Administrative expenses		(11,067,673)	(12,087,472)
Other operating income		19,375	19,500
<b>Group operating profit</b>	5	9,244,075	9,537,117
Other gains and losses	6	88,882	(10,296)
Interest receivable and similar income	7	21,249	59,686
Interest payable and similar expenses	8	(1,816,484)	(1,952,731)
<b>Profit before taxation</b>		7,537,722	7,633,776
Tax on profit	10	(2,278,298)	(1,732,168)
<b>Profit for the financial year</b>	24	5,259,424	5,901,608

**Meallmore Limited**

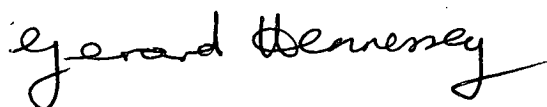
Company Number: SC100157

**Consolidated Balance Sheet**

as at 31 March 2021

	Notes	2021 £	2020 £
<b>Fixed Assets</b>			
Tangible assets	12	96,134,182	85,207,649
<b>Current Assets</b>			
Stocks	14	453,554	155,609
Debtors	15		
- amounts falling due after more than one year		135,259	-
- amounts falling due within one year		3,932,531	2,872,792
Cash and cash equivalents		17,346,506	18,042,030
		21,867,850	21,070,431
<b>Creditors: Amounts falling due within one year</b>	16	(12,130,285)	(12,626,261)
<b>Net Current Assets</b>		9,737,565	8,444,170
<b>Total Assets less Current Liabilities</b>		105,871,747	93,651,819
<b>Creditors</b>			
Amounts falling due after more than one year	17	(70,095,904)	(64,048,566)
<b>Provisions for liabilities</b>	19	(2,747,121)	(1,575,869)
<b>Net Assets</b>		33,028,722	28,027,384
<b>Capital and Reserves</b>			
Called up share capital	23	5,000	5,000
Other reserves including the fair value reserve	24	(413,056)	(777,950)
Profit and Loss Account		33,436,778	28,800,334
<b>Shareholders' Funds</b>		33,028,722	28,027,384

Approved by the Board and authorised for issue on 23 November 2021 and signed on its behalf by

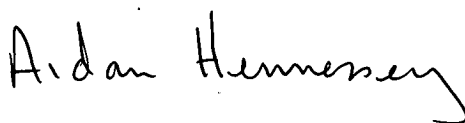
Aidan Hennessey  
DirectorGerard Hennessey  
Director

**Meallmore Limited**  
Company Number: SC100157  
**Company Balance Sheet**  
as at 31 March 2021

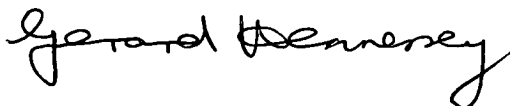
	Notes	2021 £	2020 £
<b>Fixed Assets</b>			
Tangible assets	12	202,300	207,877
Investments	13	17,769,693	17,768,693
		<u>17,971,993</u>	<u>17,976,570</u>
<b>Current Assets</b>			
Stocks	14	327,657	61,514
Debtors	15		
- amounts falling due after more than one year		5,653,179	2,574,685
- amounts falling due within one year		11,286,538	9,815,191
Cash and cash equivalents		12,540,136	13,097,847
		<u>29,807,510</u>	<u>25,549,237</u>
<b>Creditors: Amounts falling due within one year</b>	16	<u>(28,309,111)</u>	<u>(23,297,319)</u>
<b>Net Current Assets</b>		<u>1,498,399</u>	<u>2,251,918</u>
<b>Total Assets less Current Liabilities</b>		<u>19,470,392</u>	<u>20,228,488</u>
<b>Capital and Reserves</b>			
Called up share capital	23	5,000	5,000
Profit and Loss Account	24	19,465,392	20,223,488
<b>Shareholders' Funds</b>		<u>19,470,392</u>	<u>20,228,488</u>

Approved by the Board and authorised for issue on 23 November 2021 and signed on its behalf by

Aidan Hennessey  
Director



Gerard Hennessey  
Director





**Meallmore Limited**  
**Consolidated Statement of Changes in Equity**  
**as at 31 March 2021**

	Share capital	Retained earnings	Cash flow hedge reserve	Total
	£	£	£	£
<b>At 1 April 2019</b>	5,000	23,729,186	(433,240)	23,300,946
Profit for the financial year	-	5,901,608	-	5,901,608
Other comprehensive income (note 29)	-	-	(344,710)	(344,710)
<b>Total comprehensive income</b>	-	5,901,608	(344,710)	5,556,898
Payment of dividends	-	(830,460)	-	(830,460)
<b>At 31 March 2020</b>	5,000	28,800,334	(777,950)	28,022,384
Profit for the financial year	-	5,259,424	-	5,259,424
Other comprehensive income (note 29)	-	-	364,894	364,894
<b>Total comprehensive income</b>	-	5,259,424	364,894	5,624,318
Payment of dividends	-	(622,980)	-	(622,980)
<b>At 31 March 2021</b>	5,000	33,436,778	(413,056)	33,028,722

**Meallmore Limited**  
**Consolidated Statement of Cash Flows**  
**for the financial year ended 31 March 2021**

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Profit for the financial year		5,259,424	5,901,608
Adjustments for:			
Fair value gains and losses		(88,882)	10,296
Interest receivable and similar income		(21,249)	(59,686)
Interest payable and similar expenses		1,816,484	1,952,731
Tax on profit on ordinary activities		2,278,298	1,732,168
Depreciation		1,275,189	2,317,153
		<u>10,519,264</u>	<u>11,854,270</u>
Movements in working capital:			
Movement in stocks		(297,945)	(43,408)
Movement in debtors		(1,050,997)	(564,882)
Movement in creditors		177,289	1,053,133
		<u>9,347,611</u>	<u>12,299,113</u>
Cash generated from operations		9,347,611	12,299,113
Interest paid		(1,816,484)	(1,952,731)
Tax paid		(1,452,205)	(1,240,000)
		<u>6,078,922</u>	<u>9,106,382</u>
<b>Cash flows from investing activities</b>			
Interest received		21,249	59,686
Payments to acquire tangible fixed assets		(12,201,722)	(6,740,149)
		<u>(12,180,473)</u>	<u>(6,680,463)</u>
<b>Cash flows from financing activities</b>			
New bank loans		9,450,655	10,078,230
Repayment of short term loan		(3,391,016)	(3,480,643)
Capital element of hire purchase contracts		(30,632)	(56,277)
Dividends paid		(622,980)	(830,460)
		<u>5,406,027</u>	<u>5,710,850</u>
<b>Net cash generated from financing activities</b>		5,406,027	5,710,850
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(695,524)</b>	<b>8,136,769</b>
<b>Cash and cash equivalents at beginning of financial year</b>		<b>18,042,030</b>	<b>9,905,261</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>30</b>	<b><u>17,346,506</u></b>	<b><u>18,042,030</u></b>

**Meallmore Limited**  
**Notes to the Financial Statements**  
**for the financial year ended 31 March 2021**

**1. GENERAL INFORMATION**

Meallmore Limited is a company limited by shares incorporated and registered in Scotland. The registered number of the company is SC100157. The registered office of the company is Caulfield House, Cradlehall Business Park, Inverness, IV2 5GH. The nature of the company's operations and its principal activities are set out in the Directors' Report. The financial statements have been presented in Pound Sterling (£) which is also the functional currency of the company.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Statement of compliance**

The financial statements of the company for the financial year ended 31 March 2021 have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council and in accordance with the Companies Act 2006.

**Basis of preparation**

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

**Turnover**

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.

**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 Profit and Loss Account.

**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 Profit and Loss Account in other administrative expenses.

**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.

**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.

**Meallmore Limited**  
**Notes to the Financial Statements**  
**for the financial year ended 31 March 2021**

continued

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Freehold buildings	- 2 - 10% Straight line
Computer equipment	- 25% Straight line
Plant and equipment	- 5 - 10% Straight line
Fixtures and fittings	- 14 - 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.

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.

**Leasing and hire purchases**

Tangible fixed assets held under leasing and Hire Purchases arrangements which transfer substantially all the risks and rewards of ownership to the company are capitalised and included in the Balance Sheet at their cost or valuation, less depreciation. The corresponding commitments are recorded as liabilities. Payments in respect of these obligations are treated as consisting of capital and interest elements, with interest charged to the Profit and Loss Account.

**Leasing**

Rentals payable under operating leases are dealt with in the Profit and Loss Account as incurred over the period of the rental agreement.

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Stocks are determined on a first-in first-out basis. Cost comprises expenditure incurred in the normal course of business in bringing stocks to their present location and condition. Full provision is made for obsolete and slow moving items. Net realisable value comprises actual or estimated selling price (net of trade discounts) less all further costs to completion or to be incurred in marketing and selling.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the Balance Sheet bank overdrafts are shown within Creditors.

**Meallmore Limited**  
**Notes to the Financial Statements**  
**for the financial year ended 31 March 2021**

continued

**Borrowing costs**

Borrowing costs relating to the acquisition of assets are capitalised at the appropriate rate by adding them to the cost of assets being acquired. Investment income earned on the temporary investment of specific borrowings pending their expenditure on the assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**Provisions**

Provisions are recognised when the company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the same value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**Trade and other creditors**

Grants and assistance are recognised when it is reasonable to expect that the grants and assistance will be received, and that all related conditions will be met.

Grants and assistance received in respect of capital expenditure are treated as deferred income and are released to the profit and loss account at the same rate as the assets to which they relate are depreciated.

Grants and assistance received in respect of revenue expenditure are released to the profit and loss account in the period in which the related expenditure is incurred.

**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.

**Taxation and deferred taxation**

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the financial year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the Balance Sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future. Timing differences are temporary differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are anticipated to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

**Dividends**

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.

**Pensions**

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. Annual contributions payable to the group's pension scheme are charged to the Profit and Loss Account in the period to which they relate.

**Derivatives**

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**  
**Notes to the Financial Statements**  
**for the financial year ended 31 March 2021**

continued

**Cash flow hedging**

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 Profit and Loss Account.

The gain or loss recognised in other comprehensive income is reclassified to the Profit and Loss Account 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.

**Basis of consolidation**

The consolidated financial statements include the financial statements of the holding company and all its subsidiary companies made up to 31 March 2021.

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 the 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 above.

**3. SIGNIFICANT ACCOUNTING 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 useful 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.

**Meallmore Limited**  
**Notes to the Financial Statements**  
**for the financial year ended 31 March 2021**

continued

**4. TURNOVER**

The whole of the company's turnover is attributable to its market in Scotland and is derived from the principal activity of the provision of nursing care services.

<b>5. OPERATING PROFIT</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Operating profit is stated after charging:</b>		
Amortisation of intangible assets	-	56,657
Depreciation of tangible fixed assets	1,275,189	2,260,496
Operating lease rentals		
- Land and buildings	78,486	91,804
- Motor vehicles	147,192	171,122
Auditor's remuneration		
- audit services	15,000	15,000
- audit of subsidiaries and associates	54,000	47,000
- taxation advisory services	21,800	21,700
- other assurance services	5,200	12,725
	<u>          </u>	<u>          </u>

<b>6. OTHER GAINS AND LOSSES</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>

Fair value gains and losses are as follows:

Derivative financial instruments	88,882	(10,296)
	<u>          </u>	<u>          </u>

<b>7. INTEREST RECEIVABLE AND SIMILAR INCOME</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank interest	21,249	59,686
	<u>          </u>	<u>          </u>

<b>8. INTEREST PAYABLE AND SIMILAR EXPENSES</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	1,812,708	1,945,935
Hire purchase interest	967	2,712
Other interest payable	2,809	4,084
	<u>          </u>	<u>          </u>
	<u>1,816,484</u>	<u>1,952,731</u>

In accordance with the group's accounting policy, bank loan and overdraft interest includes £83,175 (2020 : £32,846) of amortised finance costs.

**Meallmore Limited**  
**Notes to the Financial Statements**  
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continued

**9. EMPLOYEES AND REMUNERATION**

**Number of employees**

The average number of persons employed (including executive directors) during the financial year was as follows:

	2021 Number	2020 Number
Administration	108	108
Nursing, housekeeping and catering	1,677	1,583
	<u>1,785</u>	<u>1,691</u>

The staff costs (inclusive of directors' salaries) comprise:

	2021 £	2020 £
Wages and salaries	34,805,028	31,755,514
Social security costs	2,710,607	2,446,900
Pension costs	651,687	597,752
	<u>38,167,322</u>	<u>34,800,166</u>



**Meallmore Limited**  
**Notes to the Financial Statements**  
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**10. TAX ON PROFIT**

	2021 £	2020 £
<b>(a) Analysis of charge in the financial year</b>		
<b>Current tax:</b>		
Corporation tax at 19.00% (2020 - 19.00%)	1,147,359	1,473,752
Adjustment in respect of previous periods	4,481	(160)
<b>Total current tax</b>	<b>1,151,840</b>	<b>1,473,592</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(17,175)	(22,270)
Effects of changes in tax rate	1,143,633	280,846
<b>Total deferred tax</b>	<b>1,126,458</b>	<b>258,576</b>
<b>Tax on profit (Note 10 (b))</b>	<b>2,278,298</b>	<b>1,732,168</b>

**(b) Factors affecting tax charge for the financial year**

The tax assessed for the financial year differs from the standard rate of corporation tax in the United Kingdom 19.00% (2020 - 19.00%). The differences are explained below:

	2021 £	2020 £
Profit taxable at 19.00%	7,537,722	7,633,776
Profit before tax		
multiplied by the standard rate of corporation tax		
in the United Kingdom at 19.00% (2020 - 19.00%)	1,432,167	1,450,417
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2,304	63,155
Capital allowances for period in excess of depreciation	(370,060)	(146,983)
Deferred tax	1,126,458	258,576
Permanent differences	110,468	113,186
Other timing differences	-	(4,267)
Capitalised interest	(25,933)	(1,756)
Unadjusted error	(1,587)	-
Adjustment to tax charge in respect of previous periods	4,481	(160)
<b>Total tax charge for the financial year (Note 10 (a))</b>	<b>2,278,298</b>	<b>1,732,168</b>

**(c) 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.

**11. DIVIDENDS**

	2021 £	2020 £
<b>Dividends on equity shares:</b>		
Ordinary Shares - Interim paid	622,500	830,000
"A" Ordinary Shares - Interim paid	480	460
	<b>622,980</b>	<b>830,460</b>

**Meallmore Limited**  
**Notes to the Financial Statements**  
for the financial year ended 31 March 2021

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**12. TANGIBLE FIXED ASSETS**  
**Group**

	Freehold land and buildings £	Computer equipment £	Plant and equipment £	Fixtures and fittings £	Total £
<b>Cost</b>					
At 1 April 2020	94,001,871	573,499	2,244,709	6,452,928	103,273,007
Additions	11,986,201	72,740	18,103	124,678	12,201,722
At 31 March 2021	105,988,072	646,239	2,262,812	6,577,606	115,474,729
<b>Depreciation</b>					
At 1 April 2020	10,503,653	521,766	1,574,794	5,465,145	18,065,358
Charge for the financial year	770,762	32,510	87,500	384,417	1,275,189
At 31 March 2021	11,274,415	554,276	1,662,294	5,849,562	19,340,547
<b>Net book value</b>					
At 31 March 2021	94,713,657	91,963	600,518	728,044	96,134,182
At 31 March 2020	83,498,218	51,733	669,915	987,783	85,207,649

Included in the cost of tangible fixed assets is £1,397,500 (2020: £1,267,568) in respect of capitalised finance costs. Capitalised finance cost includes £14,781 of amortised finance costs.

Included within freehold land and buildings is land with a cost of £21,593,088 (2020: £17,632,068).

**Company**

	Freehold land and buildings £	Computer equipment £	Plant and equipment £	Fixtures and fittings £	Total £
<b>Cost or Valuation</b>					
At 1 April 2020	180,525	72,546	19,030	190,745	462,846
Additions	7,617	-	-	2,764	10,381
At 31 March 2021	188,142	72,546	19,030	193,509	473,227
<b>Depreciation</b>					
At 1 April 2020	12,166	62,827	11,998	167,978	254,969
Charge for the financial year	966	6,059	1,648	7,285	15,958
At 31 March 2021	13,132	68,886	13,646	175,263	270,927
<b>Net book value</b>					
At 31 March 2021	175,010	3,660	5,384	18,246	202,300
At 31 March 2020	168,359	9,719	7,032	22,767	207,877

**Meallmore Limited**  
**Notes to the Financial Statements**  
**for the financial year ended 31 March 2021**

continued

**12.1. TANGIBLE FIXED ASSETS CONTINUED**  
**Group**

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

	2021 Net book value £	Depreciation charge £	2020 Net book value £	Depreciation charge £
Plant and equipment	126,590	8,303	134,893	8,326

**13. INVESTMENTS**  
**Company**

	Subsidiary undertakings shares	Total
<b>Investments</b>	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 1 April 2020	18,902,395	18,902,395
Additions	1,000	1,000
At 31 March 2021	18,903,395	18,903,395
<b>Provision for diminution in value:</b>		
At 31 March 2021	1,133,702	1,133,702
<b>Net book value</b>		
At 31 March 2021	17,769,693	17,769,693
At 31 March 2020	17,768,693	17,768,693

**14. STOCKS**

	2021 £	2020 £
<b>Group</b>		
Consumables	453,554	155,609
<b>Company</b>		
Consumables	327,657	61,514

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

**Meallmore Limited**  
**Notes to the Financial Statements**  
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<b>15. DEBTORS</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Group</b>		
Trade debtors	3,393,639	2,435,867
Other debtors	51,218	45,163
Taxation (Note 18)	558	-
Derivative asset	144,001	-
Prepayments and accrued income	478,374	391,762
	<u>4,067,790</u>	<u>2,872,792</u>

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Derivative asset	<u>135,259</u>	<u>-</u>

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Company</b>		
Trade debtors	2,335	4,962
Amounts owed by group companies	16,781,782	12,203,041
Other debtors	2,457	2,457
Taxation (Note 18)	-	1,665
Prepayments and accrued income	153,143	177,751
	<u>16,939,717</u>	<u>12,389,876</u>

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.

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Amounts owed by group companies	<u>5,653,179</u>	<u>2,574,685</u>

<b>16. CREDITORS</b>	<b>2021</b>	<b>2020</b>
<b>Amounts falling due within one year</b>	<b>£</b>	<b>£</b>
<b>Group</b>		
Bank loans	3,126,880	3,604,191
Net obligations under finance leases and hire purchase contracts	7,850	30,624
Trade creditors	4,531,205	4,442,982
Taxation (Note 18)	1,177,400	1,602,539
Derivative liability	326,357	199,173
Other creditors	38,113	8,555
Accruals	2,922,480	2,738,197
	<u>12,130,285</u>	<u>12,626,261</u>

**Meallmore Limited**  
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	2021 £	2020 £
<b>Amounts falling due within one year</b>		
<b>Company</b>		
Trade creditors	265,816	162,554
Amounts owed to group companies	27,892,659	22,715,229
Taxation social security (Note 18)	3,089	169,513
Other creditors	2,951	-
Accruals	144,596	250,023
	<u>28,309,111</u>	<u>23,297,319</u>
Group creditors above include secured liabilities totalling £3,461,087 (2020: £3,833,988).		
<b>17. CREDITORS</b>	<b>2021</b>	<b>2020</b>
<b>Amounts falling due after more than one year</b>	<b>£</b>	<b>£</b>
<b>Group</b>		
Bank loans	69,543,175	63,006,225
Finance leases and hire purchase contracts	-	7,857
Derivative liability	552,729	1,034,484
	<u>70,095,904</u>	<u>64,048,566</u>
<b>Loans</b>		
Repayable in one year or less, or on demand (Note 16)	3,126,880	3,604,191
Repayable between one and two years	3,186,736	3,126,880
Repayable between two and five years	38,003,005	16,914,093
Repayable in five years or more	28,353,434	42,965,252
	<u>72,670,055</u>	<u>66,610,416</u>
<b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year	7,850	30,624
Repayable between one and five years	-	7,857
	<u>7,850</u>	<u>38,481</u>
Creditors above include:		
Secured liabilities totalling £70,095,904 (2020: £64,048,566).		
Amounts repayable by instalments after more than five years £28,353,434 (2020: £42,965,253).		

**Meallmore Limited**  
**Notes to the Financial Statements**  
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18.	TAXATION	2021 £	2020 £
	<b>Group</b>		
	<b>Debtors:</b>		
	VAT	558	-
	<b>Creditors:</b>		
	VAT	-	14,462
	Corporation tax	447,715	748,079
	PAYE / NI	729,685	839,998
		<u>1,177,400</u>	<u>1,602,539</u>
		2021 £	2020 £
	<b>Company</b>		
	<b>Debtors:</b>		
	VAT	-	79
	Corporation tax	-	1,586
		<u>-</u>	<u>1,665</u>
	<b>Creditors:</b>		
	VAT	3,089	-
	PAYE / NI	-	169,513
		<u>3,089</u>	<u>169,513</u>

**19. PROVISIONS FOR LIABILITIES**

**Group**

The amounts provided for deferred taxation are analysed below:

	Capital allowances	Other differences	Total	Total
	£	£	2021 £	2020 £
At financial year start	1,568,278	7,591	1,575,869	1,411,040
Charged to profit and loss	1,034,392	92,065	1,126,457	164,829
Charged to other comprehensive income	-	44,795	44,795	-
At financial year end	<u>2,602,670</u>	<u>144,451</u>	<u>2,747,121</u>	<u>1,575,869</u>

**Meallmore Limited**  
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**20. FINANCIAL INSTRUMENTS**

The company has chosen to apply the provisions of Section 11 and 12 of FRS 102 to account for all of its financial instruments.

	2021 £	2020 £
<b>Group</b>		
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Trade debtors	3,393,639	2,435,867
Cash at bank and in hand	17,346,504	18,042,030
	<u>                    </u>	<u>                    </u>
<b>Financial liabilities at amortised cost</b>		
Trade creditors	4,531,205	4,442,982
Bank and other loans	72,670,055	66,610,416
Net obligations under hire purchase contracts	7,850	38,481
	<u>                    </u>	<u>                    </u>
<b>Financial liabilities measured at fair value</b>		
Derivative financial instruments	818,037	1,233,657
	<u>                    </u>	<u>                    </u>

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

<b>Income/(expenses)</b>		
Financial assets measured at amortised cost	21,249	59,686
Financial liabilities measured at amortised cost	(1,816,484)	(1,952,731)
	<u>                    </u>	<u>                    </u>

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through the Profit and Loss Account was £21,249 (2020: £59,686) and £1,816,484 (2020: £1,952,731) respectively.

<b>Net gains/(losses) (including changes in fair value)</b>		
Hedging gain/(loss) recognised in the Profit and Loss Account	88,882	(10,296)
Hedging gain/(loss) recognised in other comprehensive income	409,689	(438,456)
	<u>                    </u>	<u>                    </u>

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.

**Meallmore Limited**  
**Notes to the Financial Statements**  
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	2021	2020
	£	£
<b>Company</b>		
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Trade debtors	2,335	4,962
Amounts due from subsidiary undertakings	16,781,429	12,203,041
Cash at bank and in hand	12,540,136	13,097,847
	<u>          </u>	<u>          </u>
<b>Financial liabilities at amortised cost</b>		
Trade creditors	265,816	162,554
Amounts due to subsidiary undertakings	27,892,659	22,579,102
	<u>          </u>	<u>          </u>

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

<b>Income/(expenses)</b>		
Financial assets measured at amortised cost	72,216	118,874
	<u>          </u>	<u>          </u>

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through the Profit and Loss Account was £72,216 (2020: £118,874) and £nil (2020: £nil) respectively.

**21. PENSION COSTS - DEFINED CONTRIBUTION**

The group operates a number of defined contribution pension schemes, including ones covering 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 funds and amounted to £651,687 (2020 : £597,752 ). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

**22. GOVERNMENT GRANTS AND ASSISTANCE**

Agency	HMRC
Type of assistance	COVID Job Retention Scheme

**Group**

Received in the year	£497,546
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**Company**

Received in the year	£39,578
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**23. SHARE CAPITAL**

			2021	2020
			£	£
Description	Number of shares	Value of units		
<b>Allotted, called up and fully paid</b>				
Ordinary Shares	1,000	£1 each	1,000	1,000
"A" Ordinary Shares	4,000	£1 each	4,000	4,000
			<u>          </u>	<u>          </u>
			5,000	5,000
			<u>          </u>	<u>          </u>



**Meallmore Limited**  
**Notes to the Financial Statements**  
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**24. RESERVES**

**Cash Flow Hedge Reserve**

**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 £135,116 (2020: £294,418).

**25. FINANCIAL COMMITMENTS**

**Group**

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

	<b>Land and buildings</b>		<b>Other</b>	
	2021	2020	2021	2020
	£	£	£	£
<b>Due:</b>				
Within one year	75,000	75,000	152,873	115,093
Between one and five years	300,000	300,000	177,106	125,451
In over five years	300,000	375,000	-	-
	<u>675,000</u>	<u>750,000</u>	<u>329,979</u>	<u>240,544</u>

**Company**

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

	<b>Land and buildings</b>		<b>Other</b>	
	2021	2020	2021	2020
	£	£	£	£
<b>Due:</b>				
Within one year	75,000	75,000	152,873	115,093
Between one and five years	300,000	300,000	177,106	125,451
In over five years	300,000	375,000	-	-
	<u>675,000</u>	<u>750,000</u>	<u>329,979</u>	<u>240,544</u>

**26. CAPITAL COMMITMENTS**

2021  
£

2020  
£

**Group**

Details of capital commitments at the accounting date are as follows:

Contracted for but not provided in the financial statements	<u>406,410</u>	<u>7,300,000</u>
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**Company**

At the reporting date the company had no capital commitments (2020: £nil).

**Meallmore Limited**  
**Notes to the Financial Statements**  
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<b>27. DIRECTORS' REMUNERATION</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Remuneration	881,070	820,709
Pension contributions	44,017	39,563
	<u>925,087</u>	<u>860,272</u>
<b>Highest Paid Director</b>	<b>£</b>	<b>£</b>
Amounts included above:		
Emoluments and other benefits	<u>293,041</u>	<u>272,999</u>

Three directors accrue benefits under the group pension scheme.

**28. RELATED PARTY TRANSACTIONS**

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

Key management personnel compensation in the year totalled £1,118,832 (2020: £1,135,174).

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

Transactions and balances with group company:

**Key management personnel of the company**

Rent paid to directors and close family members £75,000 (2020: £88,804)

**29. CHANGES IN EQUITY**

<b>Other Comprehensive Income</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Cash flow hedge reserve increase/(decrease) in fair value	409,689	(438,456)
Movement in deferred tax relating to cash flow hedging instruments	(44,795)	93,746
	<u>364,894</u>	<u>(344,710)</u>

**30. CASH AND CASH EQUIVALENTS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	<u>17,346,506</u>	<u>18,042,030</u>

**31. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Long-term borrowings	(63,006,225)	(9,450,655)	2,913,705	(69,543,175)
Short-term borrowings	(3,604,191)	3,391,016	(2,913,705)	(3,126,880)
Finance lease and hire purchase	(38,482)	30,632	-	(7,850)
<b>Total liabilities from financing activities</b>	<u>(66,648,898)</u>	<u>(6,029,007)</u>	<u>-</u>	<u>(72,677,905)</u>
<b>Total Cash and cash equivalents (Note 30)</b>				<u>17,346,506</u>
<b>Total net debt</b>				<u>(55,331,399)</u>

**Meallmore Limited**  
**Notes to the Financial Statements**  
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**32. HEDGES**

The Cash Flow Hedge Reserve represents the cumulative effective portion of gains and losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of Cash Flow Hedge Reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the company's accounting policy.

**33. 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**  
**Notes to the Financial Statements**  
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**34. 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, HSBC Bank plc holds a first ranking floating charge over all of the assets of Antonine Care Limited, Daviot Care Limited, Mearns Care Limited and Alderwood House Limited together with a fixed charge over all of the property assets of Antonine Care Limited, Daviot Care Limited, Mearns 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 Doonfoot Care Limited together with a fixed charge over all of the assets of 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.

As security for certain of the group's bank loans, AIB (UK) plc holds a floating charge over all the assets of The Willows (Falkirk) Limited and a fixed charge over the property assets of The Willows (Falkirk) Limited. Meallmore Limited has provided AIB (UK) plc with a guarantee in the sum of £1,000,000.

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

**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.

**HSBC Bank Plc**

The HSBC Bank plc term loan is repayable by way of 23 quarterly interest and capital repayments commencing in September 2020 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.

**AIB (UK) Plc**

The AIB (UK) plc term loan is repayable by way of 12 quarterly interest and capital repayments commencing in March 2023 and ending in December 2025. The continued provision of banking facilities is subject to ongoing compliance with financial covenants.

**Meallmore Limited**  
**Notes to the Financial Statements**  
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**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 0.203% to 1.886% (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 31 March 2021 were £541,946 (2020 : £131,479).

**35. 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, The Willows (Falkirk) Limited and Pitfodels 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.

The following companies are 100% owned subsidiaries of the company, 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:

Crimond Care Limited (Registered number: SC647478)  
Daviot Care Home Limited (Registered number: SC647501)  
Grove Care Home Limited (Registered number: SC647502)  
Belleaire Care Limited (Registered number: SC647482)  
Auchtercrag Care Limited (Registered number: SC683172)  
Forthlands Care Limited (Registered number: SC683167)  
Kincaid Care Limited (Registered Number: SC683217)  
Kinmylies Care Limited (Registered number: SC683182)  
Kynnaird Care Limited (Registered number: SC683180)  
Levenbeach Care Limited (Registered number: SC683195)  
Parklands Care Limited (Registered number: SC683206)  
Redwoods Care Limited (Registered number: SC683189)  
St Olaf Care Limited (Registered number: SC683216)

The above non trading subsidiaries are exempt from the requirements of the Companies Act 2006 to have an audit by the virtue of Section 479A of the Companies Act 2006.

Meallmore Limited has guaranteed the above non trading subsidiaries under Section 479C (exemption from audit) of the Companies Act 2006.

The above non trading subsidiaries are exempt from the requirements of the Companies Act 2006 to prepare financial statements by virtue of section 394A of the Companies Act 2006.

Meallmore Limited has guaranteed the above non trading subsidiaries under Section 394C (exemption from preparation of financial statements) of the Companies Act 2006.