

Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 31 March 2021  
for  
APPLECROSS NURSING HOME LIMITED

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for the Year Ended 31 March 2021

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APPLECROSS NURSING HOME LIMITED

Company Information  
for the Year Ended 31 March 2021

|                                  |   |
|----------------------------------|---|
| <b>DIRECTORS:</b>                | Mrs M Kelly<br>Mrs L J Coyle  |
| <b>SECRETARY:</b>                | P Kelly   |
| <b>REGISTERED OFFICE:</b>        | Glasgow Road<br>The Hurlet<br>Glasgow<br>G53 7TG                                      |
| <b>REGISTERED NUMBER:</b>        | SC177933 (Scotland)   |
| <b>SENIOR STATUTORY AUDITOR:</b> | Robert Pollock BA CA  |
| <b>AUDITORS:</b>                 | Shales Audit Limited<br>Statutory Auditor<br>29 Brandon Street<br>Hamilton<br>ML3 6DA |
| <b>SOLICITORS:</b>               | Brodies LLP<br>110 Queen Street<br>Glasgow<br>G1 3BX                                  |

Strategic Report  
for the Year Ended 31 March 2021

The directors present their strategic report for the year ended 31 March 2021.

**REVIEW OF BUSINESS**

In the opinion of the board of directors, the company has achieved good results of the year under review, despite the difficult market conditions affecting the sector generally. The results for the financial year reflect continued investment in the business including the conclusion of a major refurbishment programme

|                              | 31st March 2021 | 31st March 2020 |
|------------------------------|-----------------|-----------------|
| Turnover                     | £3,819,415      | £3,752,936      |
| Profit/(Loss) after taxation | £275,961        | (£56,588)       |
| Gross Profit                 | £873,513        | £947,573        |
| Gross profit percentage      | 22.87%          | 25.24%          |

Shareholders' funds amount to £1,450,215 (2020 - £1,168,237). The directors are confident that the company has sufficient reserves to finance the anticipated levels of activity in the future.

Turnover for the year ended 31 March 2022 is likely to be consistent, and the board is satisfied that, with tight control of margins generated, and careful monitoring of overheads, profitability will continue at satisfactory levels. The high agency cost during the year has been rectified during the ordinary course of trading. The directors therefore expect an improved financial performance in the normal course going forward

There have been no events since the balance sheet date that materially affect the financial position of the company.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company operates in the nursing home industry and is therefore subject to the trading cycles that occur in that sector. The market is competitive although the company has a good reputation with local and regulatory authorities and therefore has repeat business and provides specialist care with barriers to entry. The board is confident that the excellent levels of service provided will ensure that the company continues to be competitive in its chosen market.

**ON BEHALF OF THE BOARD:**

P Kelly - Secretary

20 December 2021

Report of the Directors  
for the Year Ended 31 March 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of nursing home.

**DIVIDENDS**

**9th April 2020**

- Ordinary shares interim dividend £12,500 per share.

**1st June 2020**

- Ordinary shares interim dividend £29,650
- A share interim dividend £34,000 per share
- B share interim dividend £35,200 per share
- C share interim dividend £13,500 per share

**FUTURE DEVELOPMENTS**

The directors have considered the impact that the Covid-19 pandemic could have on the ongoing trade of the company.

This includes the potential impact of reduced levels of turnover for a period of time, the effect of a short-term shut-down and the availability of government assistance to businesses during this difficult period. The directors do not expect the company to experience a reduction in profitability or incur additional losses while the impact of the virus persists but with the cumulative reserves and the availability of government assistance they are confident that the company can continue operating as a going concern. Sustainability payments from the Government should reduce any impact of Covid and with our residents and staff now vaccinated against the virus, the impact of Covid on the business in the future should be mitigated

**DIRECTORS**

Mrs M Kelly has held office during the whole of the period from 1 April 2020 to the date of this report.

Other changes in directors holding office are as follows:

A Kelly - deceased 19 April 2020

Mrs L J Coyle - appointed 25 August 2020

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 Financial Reporting Standard 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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.

Report of the Directors  
for the Year Ended 31 March 2021

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Sharles Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

P Kelly - Secretary

20 December 2021

Report of the Independent Auditors to the Members of  
Applecross Nursing Home Limited

**Opinion**

We have audited the financial statements of Applecross Nursing Home Limited (the 'company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**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 company's ability to continue as a going concern for a period of at least twelve months from 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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.

**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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of  
Applecross Nursing Home Limited

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

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

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

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The aims of our audit are to identify and assess the risks of material misstatement of the financial statements as a result of fraud or error, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement as a result of fraud or error and to respond appropriately to those risks. As a result of the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures include the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and the sector in which they operate. We determined that the following laws and regulations were most significant: the Companies Act 2006 and UK corporate tax laws.
  - We obtained an understanding of how the company complies with those legal and regulatory frameworks by making inquiries of management. We undertook a review of legal fees for any evidence of non-compliance.
  - We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur.
- Audit procedures performed by the company audit team included:
- identifying and documenting the controls management has in place to prevent and detect fraud and error;
  - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
  - challenging assumptions and judgements made by management in its significant accounting estimates;
  - identifying and testing journal entries, in particular any journal entries posted for large or unusual amounts;
  - assessing the extent of compliance with relevant laws and regulations; and
  - sample testing of transactions and balances.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.



Report of the Independent Auditors to the Members of  
Applecross Nursing Home 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 a Report of the Auditors 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.

Robert Pollock BA CA (Senior Statutory Auditor)  
for and on behalf of Charles Audit Limited  
Statutory Auditor  
29 Brandon Street  
Hamilton  
ML3 6DA

21 December 2021

APPLECROSS NURSING HOME LIMITED (REGISTERED NUMBER: SC177933)

Statement of Comprehensive  
Income  
for the Year Ended 31 March 2021

|   | Notes | 2021<br>£             | 2020<br>£        |
|---|-------|-----------------------|------------------|
| <b>TURNOVER</b>   |       | <b>3,819,415</b>      | 3,752,936        |
| Cost of sales   |       | <u>2,945,902</u>      | <u>2,805,363</u> |
| <b>GROSS PROFIT</b>   |       | <b>873,513</b>        | 947,573          |
| Administrative expenses   |       | <u>739,215</u>        | <u>866,757</u>   |
|   |       | <b>134,298</b>        | 80,816           |
| Other operating income  |       | <u>332,131</u>        | 130              |
| <b>OPERATING PROFIT</b>   | 5     | <b>466,429</b>        | 80,946           |
| Interest payable and similar expenses                             | 6     | <u>104,094</u>        | <u>126,365</u>   |
| <b>PROFIT/(LOSS) BEFORE TAXATION</b>                              |       | <b>362,335</b>        | (45,419)         |
| Tax on profit/(loss)  | 7     | <u>68,689</u>         | <u>11,169</u>    |
| <b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>                       |       | <b>293,646</b>        | (56,588)         |
| <b>OTHER COMPREHENSIVE INCOME</b>                                 |       |                       |                  |
| Deferred tax movement on revaluation                              |       |                       |                  |
| Income tax relating to other comprehensive income                 |       | 6,017                 | 6,017            |
| <b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b> |       | <u>6,017</u>          | <u>6,017</u>     |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>                    |       | <u><b>299,663</b></u> | <u>(50,571)</u>  |

APPLECROSS NURSING HOME LIMITED (REGISTERED NUMBER: SC177933)

Balance Sheet  
31 March 2021

|  | Notes | 2021<br>£      | £                | 2020<br>£      | £                |
|--|-------|----------------|------------------|----------------|------------------|
| <b>FIXED ASSETS</b>                          |       |                |                  |                |                  |
| Tangible assets                              | 9     |                | 5,776,069        |                | 5,814,546        |
| <b>CURRENT ASSETS</b>                        |       |                |                  |                |                  |
| Debtors                                      | 10    | 826,311        |                  | 412,085        |                  |
| Cash at bank and in hand                     |       | <u>38,221</u>  |                  | <u>4,383</u>   |                  |
|  |       | 864,532        |                  | 416,468        |                  |
| <b>CREDITORS</b>                             |       |                |                  |                |                  |
| Amounts falling due within one year          | 11    | <u>718,994</u> |                  | <u>863,707</u> |                  |
| <b>NET CURRENT ASSETS/(LIABILITIES)</b>      |       |                | <u>145,538</u>   |                | <u>(447,239)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                | 5,921,607        |                | 5,367,307        |
| <b>CREDITORS</b>                             |       |                |                  |                |                  |
| Amounts falling due after more than one year | 12    |                | (4,229,501)      |                | (3,802,723)      |
| <b>PROVISIONS FOR LIABILITIES</b>            | 16    |                | <u>(391,206)</u> |                | <u>(396,347)</u> |
| <b>NET ASSETS</b>                            |       |                | <u>1,300,900</u> |                | <u>1,168,237</u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                |                  |                |                  |
| Called up share capital                      | 17    |                | 5                |                | 5                |
| Revaluation reserve                          | 18    |                | 980,064          |                | 1,005,719        |
| Retained earnings                            | 18    |                | <u>320,831</u>   |                | <u>162,513</u>   |
| <b>SHAREHOLDERS' FUNDS</b>                   |       |                | <u>1,300,900</u> |                | <u>1,168,237</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 20 December 2021 and were signed on its behalf by:

Mrs L J Coyle - Director

APPLECROSS NURSING HOME LIMITED (REGISTERED NUMBER: SC177933)

Statement of Changes in Equity  
for the Year Ended 31 March 2021

|                                 | <b>Called up<br/>share<br/>capital<br/>£</b> | <b>Retained<br/>earnings<br/>£</b> | <b>Revaluation<br/>reserve<br/>£</b> | <b>Total<br/>equity<br/>£</b> |
|---------------------------------|--|------------------------------------|--------------------------------------|-------------------------------|
| <b>Balance at 1 April 2019</b>  | 5  | 408,929                            | 1,031,374                            | 1,440,308                     |
| <b>Changes in equity</b>        |  |                                    |                                      |                               |
| Dividends                       | -  | (221,500)                          | -                                    | (221,500)                     |
| Total comprehensive income      | -  | (24,916)                           | (25,655)                             | (50,571)                      |
| <b>Balance at 31 March 2020</b> | 5  | 162,513                            | 1,005,719                            | 1,168,237                     |
| <b>Changes in equity</b>        |  |                                    |                                      |                               |
| Dividends                       | -  | (167,000)                          | -                                    | (167,000)                     |
| Total comprehensive income      | -  | 325,318                            | (25,655)                             | 299,663                       |
| <b>Balance at 31 March 2021</b> | 5  | 320,831                            | 980,064                              | 1,300,900                     |

APPLECROSS NURSING HOME LIMITED (REGISTERED NUMBER: SC177933)

Cash Flow Statement  
for the Year Ended 31 March 2021

|   | Notes | 2021<br>£        | 2020<br>£        |
|---|-------|------------------|------------------|
| <b>Cash flows from operating activities</b>             |       |                  |                  |
| Cash generated from operations                          | 1     | 184,611          | 144,807          |
| Interest paid   |       | (101,837)        | (126,365)        |
| Interest element of hire purchase payments paid         |       | (2,256)          | -                |
| Tax paid  |       | (13,814)         | (73,789)         |
| Net cash from operating activities                      |       | <u>66,704</u>    | <u>(55,347)</u>  |
| <b>Cash flows from investing activities</b>             |       |                  |                  |
| Purchase of tangible fixed assets                       |       | <u>(117,795)</u> | <u>(3,393)</u>   |
| Net cash from investing activities                      |       | <u>(117,795)</u> | <u>(3,393)</u>   |
| <b>Cash flows from financing activities</b>             |       |                  |                  |
| New loans in year                                       |       | 350,000          | -                |
| Capital repayments in year                              |       | 88,573           | (163,411)        |
| Amount introduced by directors                          |       | 235,249          | 224,250          |
| Amount withdrawn by directors                           |       | (265,763)        | (194,560)        |
| Equity dividends paid                                   |       | <u>(167,000)</u> | <u>(221,500)</u> |
| Net cash from financing activities                      |       | <u>241,059</u>   | <u>(355,221)</u> |
| <b>Increase/(decrease) in cash and cash equivalents</b> |       | <u>189,968</u>   | <u>(413,961)</u> |
| <b>Cash and cash equivalents at beginning of year</b>   | 2     | (151,747)        | 262,214          |
| <b>Cash and cash equivalents at end of year</b>         | 2     | <u>38,221</u>    | <u>(151,747)</u> |

Notes to the Cash Flow Statement  
for the Year Ended 31 March 2021

1. **RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

|  | 2021                  | 2020                  |
|--|-----------------------|-----------------------|
|  | £                     | £                     |
| Profit/(loss) before taxation                    | 362,335               | (45,419)              |
| Depreciation charges                             | 156,271               | 143,108               |
| Finance costs                                    | 104,094               | 126,365               |
|  | <u>622,700</u>        | <u>224,054</u>        |
| Increase in trade and other debtors              | (414,226)             | (210,726)             |
| (Decrease)/increase in trade and other creditors | (23,863)              | 131,479               |
| <b>Cash generated from operations</b>            | <u><u>184,611</u></u> | <u><u>144,807</u></u> |

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 March 2021**

|                           | 31.3.21              | 1.4.20                  |
|---------------------------|----------------------|-------------------------|
|                           | £                    | £                       |
| Cash and cash equivalents | 38,221               | 4,383                   |
| Bank overdrafts           | <u>-</u>             | <u>(156,130)</u>        |
|                           | <u><u>38,221</u></u> | <u><u>(151,747)</u></u> |

**Year ended 31 March 2020**

|                           | 31.3.20                 | 1.4.19                |
|---------------------------|-------------------------|-----------------------|
|                           | £                       | £                     |
| Cash and cash equivalents | 4,383                   | 262,214               |
| Bank overdrafts           | <u>(156,130)</u>        | <u>-</u>              |
|                           | <u><u>(151,747)</u></u> | <u><u>262,214</u></u> |

3. **ANALYSIS OF CHANGES IN NET DEBT**

|                                 | At 1.4.20                 | Cash flow               | At 31.3.21                |
|---------------------------------|---------------------------|-------------------------|---------------------------|
|                                 | £                         | £                       | £                         |
| <b>Net cash</b>                 |                           |                         |                           |
| Cash at bank and in hand        | 4,383                     | 33,838                  | 38,221                    |
| Bank overdrafts                 | <u>(156,130)</u>          | <u>156,130</u>          | <u>-</u>                  |
|                                 | <u><u>(151,747)</u></u>   | <u><u>189,968</u></u>   | <u><u>38,221</u></u>      |
| <b>Debt</b>                     |                           |                         |                           |
| Finance leases                  | -                         | (88,573)                | (88,573)                  |
| Debts falling due within 1 year | (289,254)                 | -                       | (289,254)                 |
| Debts falling due after 1 year  | <u>(3,802,723)</u>        | <u>(350,000)</u>        | <u>(4,152,723)</u>        |
|                                 | <u><u>(4,091,977)</u></u> | <u><u>(438,573)</u></u> | <u><u>(4,530,550)</u></u> |
| <b>Total</b>                    | <u><u>(4,243,724)</u></u> | <u><u>(248,605)</u></u> | <u><u>(4,492,329)</u></u> |

Notes to the Financial Statements  
for the Year Ended 31 March 2021

1. **STATUTORY INFORMATION**

Applecross Nursing Home Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. There were no material departures from the standard.

3. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand, and from directors loans. The directors have prepared projected cash flow information for the current financial year. On the basis of this cash flow information and discussions with the above parties, the directors have formed a judgement at the time of approving the financial statements that they will continue to support the company. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from withdrawal of support by the above mentioned parties.

Also, as explained in the directors report, the company's ongoing trade is facing a impact from the Covid-19 pandemic. At this stage it is not possible to say how significant this impact will be or for how long it will be experienced. As a result of the potential fall in turnover the directors have taken steps to reduce costs in the short term and intend to make full use of any government assistance that is available as and when required so that the company can continue trading as a going concern.

**Significant judgements and estimates**

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Turnover & revenue recognition**

Turnover is derived from nursing and care services supplied by the company.

Turnover is measured at the fair value of nursing and care services supplied, net of discounts and is recognised at the point that the company obtains the right to consideration.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

3. **ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

|                       |               |
|-----------------------|---------------|
| Freehold property     | - 2% on cost  |
| Plant and machinery   | - 15% on cost |
| Fixtures and fittings | - 15% on cost |
| Motor vehicles        | - 20% on cost |

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Expenditure of £1,000 or more on individual tangible fixed assets is capitalised at cost. Expenditure on assets below this threshold is charged directly to the income account in the period it is incurred.

**Government grants**

Grants considered to be revenue in nature are credited to the profit and loss account in the period to which they relate. Grants of a capital nature are reflected as deferred income in the balance sheet and released to the profit and loss account over the estimated useful life of the assets to which they relate.

**Basic financial instruments**

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on 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 statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.



Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

3. **ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

4. **EMPLOYEES AND DIRECTORS**

|                       | 2021             | 2020             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 2,253,410        | 2,187,137        |
| Social security costs | 162,229          | 157,812          |
| Other pension costs   | 91,016           | 52,535           |
|                       | <u>2,506,655</u> | <u>2,397,484</u> |

The average number of employees during the year was as follows:

|                                  | 2021       | 2020       |
|----------------------------------|------------|------------|
| Management and Administrative    | 6          | 3          |
| Nursing and Care Staff           | 102        | 94         |
| Kitchen, Domestic, & Maintenance | 22         | 18         |
|                                  | <u>130</u> | <u>115</u> |

|                         | 2021     | 2020     |
|-------------------------|----------|----------|
|                         | £        | £        |
| Directors' remuneration | <u>-</u> | <u>-</u> |

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

**5. OPERATING PROFIT**

The operating profit is stated after charging:

|  | 2021         | 2020         |
|--|--------------|--------------|
|  | £            | £            |
| Other operating leases                           | 34,056       | 35,353       |
| Depreciation - owned assets                      | 145,108      | 143,107      |
| Depreciation - assets on hire purchase contracts | 11,164       | -            |
| Auditors' remuneration                           | <u>3,000</u> | <u>3,000</u> |

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

|                        | 2021           | 2020           |
|------------------------|----------------|----------------|
|                        | £              | £              |
| Bank interest          | 43             | 716            |
| Bank loan interest     | 95,067         | 125,649        |
| Late payment interest  | 6,728          | -              |
| Hire purchase interest | <u>2,256</u>   | <u>-</u>       |
|                        | <u>104,094</u> | <u>126,365</u> |

**7. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

|                                    | 2021          | 2020           |
|------------------------------------|---------------|----------------|
|                                    | £             | £              |
| Current tax:                       |               |                |
| UK corporation tax                 | 68,042        | 14,043         |
| Under/(over) provision prior years | <u>(229)</u>  | <u>-</u>       |
| Total current tax                  | 67,813        | 14,043         |
| Deferred tax                       | <u>876</u>    | <u>(2,874)</u> |
| Tax on profit/(loss)               | <u>68,689</u> | <u>11,169</u>  |

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

7. **TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

|  | 2021<br>£      | 2020<br>£       |
|--|----------------|-----------------|
| Profit/(loss) before tax   | <u>362,335</u> | <u>(45,419)</u> |
| Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%) | 68,844         | (8,630)         |
| Effects of:  |                |                 |
| Expenses not deductible for tax purposes   | 1,278          | -               |
| Capital allowances in excess of depreciation   | (19,305)       | -               |
| Depreciation in excess of capital allowances   | -              | 1,697           |
| Adjustments to tax charge in respect of previous periods                                       | (229)          | -               |
| Depreciation on assets not ranking for capital allowances                                      | <u>18,101</u>  | <u>18,102</u>   |
| Total tax charge   | <u>68,689</u>  | <u>11,169</u>   |

**Tax effects relating to effects of other comprehensive income**

|                                      | 2021<br>Gross<br>£ | Tax<br>£     | Net<br>£     |
|--------------------------------------|--------------------|--------------|--------------|
| Deferred tax movement on revaluation | <u>-</u>           | <u>6,017</u> | <u>6,017</u> |
|                                      | 2020<br>Gross<br>£ | Tax<br>£     | Net<br>£     |
| Deferred tax movement on revaluation | <u>-</u>           | <u>6,017</u> | <u>6,017</u> |

8. **DIVIDENDS**

|                            | 2021<br>£      | 2020<br>£      |
|----------------------------|----------------|----------------|
| Ordinary shares of £1 each |                |                |
| Interim                    | <u>167,000</u> | <u>221,500</u> |

Interim dividends by class are as follows; Ordinary £84,300 (2020 - £144,000), A Ordinary £34,000 (2020 - £34,000), B Ordinary £35,200 (2020 - £30,000), C Ordinary £13,500 (2020 - £13,500).

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

9. **TANGIBLE FIXED ASSETS**

|                          | <b>Freehold<br/>property<br/>£</b> | <b>Plant and<br/>machinery<br/>£</b> | <b>Fixtures<br/>and<br/>fittings<br/>£</b> |
|--------------------------|------------------------------------|--------------------------------------|--|
| <b>COST OR VALUATION</b> |                                    |                                      |  |
| At 1 April 2020          | 6,406,979                          | 86,256                               | 312,391                                    |
| Additions                | -                                  | 6,795                                | 6,530                                      |
| At 31 March 2021         | <u>6,406,979</u>                   | <u>93,051</u>                        | <u>318,921</u>                             |
| <b>DEPRECIATION</b>      |                                    |                                      |  |
| At 1 April 2020          | 692,279                            | 47,922                               | 257,713                                    |
| Charge for year          | <u>108,140</u>                     | <u>10,948</u>                        | <u>20,318</u>                              |
| At 31 March 2021         | <u>800,419</u>                     | <u>58,870</u>                        | <u>278,031</u>                             |
| <b>NET BOOK VALUE</b>    |                                    |                                      |  |
| At 31 March 2021         | <u>5,606,560</u>                   | <u>34,181</u>                        | <u>40,890</u>                              |
| At 31 March 2020         | <u>5,714,700</u>                   | <u>38,334</u>                        | <u>54,678</u>                              |
|                          | <b>Motor<br/>vehicles<br/>£</b>    | <b>Computer<br/>equipment<br/>£</b>  | <b>Totals<br/>£</b>                        |
| <b>COST OR VALUATION</b> |                                    |                                      |  |
| At 1 April 2020          | 42,414                             | 17,107                               | 6,865,147                                  |
| Additions                | <u>104,470</u>                     | -                                    | <u>117,795</u>                             |
| At 31 March 2021         | <u>146,884</u>                     | <u>17,107</u>                        | <u>6,982,942</u>                           |
| <b>DEPRECIATION</b>      |                                    |                                      |  |
| At 1 April 2020          | 42,414                             | 10,273                               | 1,050,601                                  |
| Charge for year          | <u>11,164</u>                      | <u>5,702</u>                         | <u>156,272</u>                             |
| At 31 March 2021         | <u>53,578</u>                      | <u>15,975</u>                        | <u>1,206,873</u>                           |
| <b>NET BOOK VALUE</b>    |                                    |                                      |  |
| At 31 March 2021         | <u>93,306</u>                      | <u>1,132</u>                         | <u>5,776,069</u>                           |
| At 31 March 2020         | <u>-</u>                           | <u>6,834</u>                         | <u>5,814,546</u>                           |

Cost or valuation at 31 March 2021 is represented by:

|                   | <b>Freehold<br/>property<br/>£</b> | <b>Plant and<br/>machinery<br/>£</b> | <b>Fixtures<br/>and<br/>fittings<br/>£</b> |
|-------------------|------------------------------------|--------------------------------------|--|
| Valuation in 2011 | 1,350,648                          | -                                    | -  |
| Cost              | <u>5,056,331</u>                   | <u>93,051</u>                        | <u>318,921</u>                             |
|                   | <u>6,406,979</u>                   | <u>93,051</u>                        | <u>318,921</u>                             |

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

9. **TANGIBLE FIXED ASSETS - continued**

|                   | <b>Motor<br/>vehicles<br/>£</b> | <b>Computer<br/>equipment<br/>£</b> | <b>Totals<br/>£</b> |
|-------------------|---------------------------------|-------------------------------------|---------------------|
| Valuation in 2011 | -                               | -                                   | 1,350,648           |
| Cost              | <u>146,884</u>                  | <u>17,107</u>                       | <u>5,632,294</u>    |
|                   | <u>146,884</u>                  | <u>17,107</u>                       | <u>6,982,942</u>    |

If freehold land & buildings had not been revalued they would have been included at the following historical cost:

|  | <b>2021<br/>£</b> | <b>2020<br/>£</b> |
|--|-------------------|-------------------|
| Cost   | <u>5,091,331</u>  | <u>5,091,331</u>  |
| Aggregate depreciation                       | <u>364,854</u>    | <u>364,854</u>    |
| Value of land in freehold land and buildings | <u>1,000,000</u>  | <u>1,000,000</u>  |

Freehold land & buildings were valued on an open market basis on 31 March 2021 by the directors .

If Freehold Property was sold this would result in an additional corporation tax liability of approximately £200,000.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

|                          | <b>Motor<br/>vehicles<br/>£</b> |
|--------------------------|---------------------------------|
| <b>COST OR VALUATION</b> |                                 |
| Additions                | <u>104,470</u>                  |
| At 31 March 2021         | <u>104,470</u>                  |
| <b>DEPRECIATION</b>      |                                 |
| Charge for year          | <u>11,164</u>                   |
| At 31 March 2021         | <u>11,164</u>                   |
| <b>NET BOOK VALUE</b>    |                                 |
| At 31 March 2021         | <u>93,306</u>                   |

10. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                | <b>2021<br/>£</b> | <b>2020<br/>£</b> |
|--------------------------------|-------------------|-------------------|
| Trade debtors                  | 435,147           | 311,185           |
| Other debtors                  | 15,100            | 3,779             |
| Prepayments and accrued income | <u>376,064</u>    | <u>97,121</u>     |
|                                | <u>826,311</u>    | <u>412,085</u>    |

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|   | <b>2021</b>           | 2020           |
|---|-----------------------|----------------|
|   | £                     | £              |
| Bank loans and overdrafts (see note 13) | <b>289,254</b>        | 445,384        |
| Hire purchase contracts (see note 14)   | <b>11,795</b>         | -              |
| Trade creditors                         | <b>49,215</b>         | 106,877        |
| Tax                                     | <b>68,042</b>         | 14,043         |
| Social security and other taxes         | <b>35,518</b>         | 107,970        |
| Other creditors                         | <b>172,600</b>        | 136,777        |
| Directors' current accounts             | <b>48</b>             | 30,562         |
| Accrued expenses                        | <b>92,522</b>         | 22,094         |
|   | <u><b>718,994</b></u> | <u>863,707</u> |

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                                       | <b>2021</b>             | 2020             |
|---------------------------------------|-------------------------|------------------|
|                                       | £                       | £                |
| Bank loans (see note 13)              | <b>4,152,723</b>        | 3,802,723        |
| Hire purchase contracts (see note 14) | <b>76,778</b>           | -                |
|                                       | <u><b>4,229,501</b></u> | <u>3,802,723</u> |

**13. LOANS**

An analysis of the maturity of loans is given below:

|   | <b>2021</b>             | 2020             |
|---|-------------------------|------------------|
|   | £                       | £                |
| Amounts falling due within one year or on demand: |                         |                  |
| Bank overdrafts                                   | -                       | 156,130          |
| Bank loans  | <b>289,254</b>          | 289,254          |
|   | <u><b>289,254</b></u>   | <u>445,384</u>   |
| Amounts falling due between two and five years:   |                         |                  |
| Bank loans  | <u><b>350,000</b></u>   | <u>228,340</u>   |
| Amounts falling due in more than five years:      |                         |                  |
| Repayable by instalments                          |                         |                  |
| Bank loans more 5 years by instalments            | <u><b>3,802,723</b></u> | <u>3,574,383</u> |

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

**14. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

|                            | <b>Hire purchase contracts</b> |                  |
|----------------------------|--------------------------------|------------------|
|                            | <b>2021</b>                    | <b>2020</b>      |
|                            | <b>£</b>                       | <b>£</b>         |
| Net obligations repayable: |                                |                  |
| Within one year            | <b>11,795</b>                  | -                |
| Between one and five years | <b><u>76,778</u></b>           | <u>-</u>         |
|                            | <b><u>88,573</u></b>           | <u>-</u>         |
|                            | <b>Non-cancellable</b>         |                  |
|                            | <b>2021</b>                    | <b>operating</b> |
|                            | <b>£</b>                       | <b>leases</b>    |
|                            | <b>£</b>                       | <b>2020</b>      |
| In more than five years    | <b><u>22,244</u></b>           | <u>22,244</u>    |

**15. SECURED DEBTS**

The following secured debts are included within creditors:

|                         | <b>2021</b>             | <b>2020</b>      |
|-------------------------|-------------------------|------------------|
|                         | <b>£</b>                | <b>£</b>         |
| Bank overdraft          | -                       | 156,130          |
| Bank loans              | <b>4,441,977</b>        | 4,091,977        |
| Hire purchase contracts | <b><u>88,573</u></b>    | <u>-</u>         |
|                         | <b><u>4,530,550</u></b> | <u>4,248,107</u> |

Bank loans and overdraft are secured by a bond and floating charge together with standard security over the Freehold Property.

Hire purchase liabilities are secured over the assets concerned.

Included in bank loans is a Coronavirus Business Interruption Loan of £350,000. This is supported by a 100% guarantee from the UK Government.

**16. PROVISIONS FOR LIABILITIES**

|                                | <b>2021</b>           | <b>2020</b>    |
|--------------------------------|-----------------------|----------------|
|                                | <b>£</b>              | <b>£</b>       |
| Deferred tax                   |                       |                |
| Other timing differences       | <b>240,590</b>        | 246,608        |
| Accelerated capital allowances | <b><u>150,616</u></b> | <u>149,739</u> |
|                                | <b><u>391,206</u></b> | <u>396,347</u> |

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

16. **PROVISIONS FOR LIABILITIES - continued**

|                             | <b>Deferred<br/>tax<br/>£</b> |
|-----------------------------|-------------------------------|
| Balance at 1 April 2020     | 396,347                       |
| Provided during year        | 876                           |
| Deferred tax on revaluation | <u>(6,017)</u>                |
| Balance at 31 March 2021    | <u><u>391,206</u></u>         |

17. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

| Number: | Class:   | Nominal<br>value: | <b>2019<br/>£</b> | 2018<br>£       |
|---------|----------|-------------------|-------------------|-----------------|
| 2       | Ordinary | £1                | 2                 | 2               |
| 1       | A        | £1                | 1                 | 1               |
| 1       | B        | £1                | 1                 | 1               |
| 1       | C        | £1                | <u>1</u>          | <u>1</u>        |
|         |          |                   | <u><u>5</u></u>   | <u><u>5</u></u> |

18. **RESERVES**

|  | <b>Retained<br/>earnings<br/>£</b> | <b>Revaluation<br/>reserve<br/>£</b> | <b>Totals<br/>£</b>     |
|--|------------------------------------|--------------------------------------|-------------------------|
| At 1 April 2020                                | 162,513                            | 1,005,719                            | 1,168,232               |
| Profit for the year                            | 293,646                            |                                      | 293,646                 |
| Dividends                                      | (167,000)                          |                                      | (167,000)               |
| Revaluation reserve release                    | 31,672                             | (31,672)                             | -                       |
| Deferred tax on revaluation reserve<br>release | <u>-</u>                           | <u>6,017</u>                         | <u>6,017</u>            |
| At 31 March 2021                               | <u><u>320,831</u></u>              | <u><u>980,064</u></u>                | <u><u>1,300,895</u></u> |

19. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the years ended 31 March 2021 and 31 March 2020:

|                                      | <b>2021<br/>£</b>  | 2020<br>£              |
|--------------------------------------|--------------------|------------------------|
| <b>Mrs M Kelly</b>                   |                    |                        |
| Balance outstanding at start of year | (30,562)           | (872)                  |
| Amounts advanced                     | 266,513            | 238,568                |
| Amounts repaid                       | (235,999)          | (268,258)              |
| Amounts written off                  | -                  | -                      |
| Amounts waived                       | -                  | -                      |
| Balance outstanding at end of year   | <u><u>(48)</u></u> | <u><u>(30,562)</u></u> |



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