

Company Registration No. 02210916 (England and Wales)

BRADWELL HALL NURSING HOME LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

BRADWELL HALL NURSING HOME LIMITED

COMPANY INFORMATION

Directors	Mr E Twigge Mr M D Twigge Mr J Twigge Mrs J V Carson
Secretary	Mr E Twigge
Company number	02210916
Registered office	Bradwell Hall Old Hall Drive Bradwell Newcastle under Lyme Staffordshire ST5 8RQ
Auditor	WCCA Limited 2-6 Adventure Place Hanley Stoke on Trent Staffordshire ST1 3AF
Accountants	Bruce Marshall & Co Limited 3 Crewe Road Sandbach Cheshire CW11 4NE

BRADWELL HALL NURSING HOME LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 6
Profit and loss account	7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 23

BRADWELL HALL NURSING HOME LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present the strategic report for the year ended 31 March 2019.

Fair review of the business

During the year the company has seen its turnover increase by £2.18m and its gross profit increase by £0.4m. The company acquired a second care home in the local area during the year.

The directors consider the results for the year to be satisfactory.

Principal risks and uncertainties

The main risks associated with the business relate to the level of competition in the area. The company prides itself on the service provided to its customers and the directors believe that if they continue to provide a high level of care for the customers then it will continue to be competitive in the local market.

The current global situation regarding COVID-19 is of great concern to the directors due to the business providing care to many elderly and vulnerable people. The directors have imposed strict guidelines at the care home following government and health department guidelines. By adhering to these policies the directors believe that disruption to the care service that they provide will not be significant.

Development and performance

Following the acquisition of a second care home during the year under review the company has invested significant funds in developing the site to enable it to continue to provide a high level of care throughout the local area.

The company anticipates continued future growth for the business following its expansion.

Key performance indicators

The company measures its performance by monitoring margins achieved against expectations and also against occupancy rates in the care home. The directors review the financial information on a monthly basis to assess how the company is performing and takes corrective action if key performance indicators are not being met.

By order of the board

Mr E Twigge

Secretary

30 March 2020

BRADWELL HALL NURSING HOME LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

Principal activities

The principal activity of the company continued to be that of a nursing home.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr E Twigge
Mr M D Twigge
Mr J Twigge
Mrs J V Carson

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £700,000. The directors do not recommend payment of a final dividend.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Auditor

WCCA Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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;
- 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.

BRADWELL HALL NURSING HOME LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board

Mr E Twigge
Secretary

30 March 2020

BRADWELL HALL NURSING HOME LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRADWELL HALL NURSING HOME LIMITED

Qualified opinion on financial statements of Bradwell Nursing Home Limited

We have audited the financial statements of Bradwell Hall Nursing Home Limited (the 'company') for the year ended 31 March 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 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 qualified opinion

The evidence available to us was limited because we were appointed as auditors during the year and we have been unable to carry out auditing procedures necessary to obtain adequate assurance regarding the opening balances and comparative figures because the financial statements for the year ended 31 March 2018 were unaudited. Any adjustments to the opening balances would have a consequential effect on the profit for the year. In addition, the amounts shown as corresponding amounts for the year ended 31 March 2018 may not be comparable with the figures for the current period.

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

Other matter

Comparative information in the financial statements is derived from the company's prior period financial statements which were not audited.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

BRADWELL HALL NURSING HOME LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BRADWELL HALL NURSING HOME LIMITED

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to stock, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

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 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, 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

BRADWELL HALL NURSING HOME LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BRADWELL HALL NURSING HOME LIMITED

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Mr Keith R Salt (Senior Statutory Auditor)
for and on behalf of WCCA Limited

30 March 2020

Chartered Certified Accountants
Statutory Auditor

2-6 Adventure Place
Hanley
Stoke on Trent
Staffordshire
ST1 3AF

BRADWELL HALL NURSING HOME LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Turnover	3	11,292,479	9,105,244
Cost of sales		(8,095,411)	(6,307,269)
Gross profit		<u>3,197,068</u>	<u>2,797,975</u>
Distribution costs		(89,209)	(341,621)
Administrative expenses		(2,485,868)	(1,630,329)
Other operating income		128,095	132,113
Operating profit	4	<u>750,086</u>	<u>958,138</u>
Interest receivable and similar income	7	3,030	453
Interest payable and similar expenses	8	(135,310)	(106,000)
Profit before taxation		<u>617,806</u>	<u>852,591</u>
Tax on profit	9	(160,404)	(182,307)
Profit for the financial year		<u><u>457,402</u></u>	<u><u>670,284</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

BRADWELL HALL NURSING HOME LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	£	£
Profit for the year	457,402	670,284
Other comprehensive income	-	-
Total comprehensive income for the year	<u>457,402</u>	<u>670,284</u>

BRADWELL HALL NURSING HOME LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	11		3,275,632		185,633
Current assets					
Stocks	13	2,000		2,000	
Debtors	14	4,223,594		4,454,438	
Cash at bank and in hand		2,868,808		2,661,033	
		<u>7,094,402</u>		<u>7,117,471</u>	
Creditors: amounts falling due within one year	15	<u>(1,616,831)</u>		<u>(1,315,149)</u>	
Net current assets			<u>5,477,571</u>		<u>5,802,322</u>
Total assets less current liabilities			<u>8,753,203</u>		<u>5,987,955</u>
Creditors: amounts falling due after more than one year	16		(4,944,725)		(1,973,150)
Provisions for liabilities	18		<u>(36,271)</u>		<u>-</u>
Net assets			<u><u>3,772,207</u></u>		<u><u>4,014,805</u></u>
Capital and reserves					
Called up share capital	21		100		100
Share premium account			33		33
Profit and loss reserves			<u>3,772,074</u>		<u>4,014,672</u>
Total equity			<u><u>3,772,207</u></u>		<u><u>4,014,805</u></u>

The financial statements were approved by the board of directors and authorised for issue on 30 March 2020 and are signed on its behalf by:

Mr E Twigge
Director

Company Registration No. 02210916

BRADWELL HALL NURSING HOME LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 April 2017		100	33	3,344,388	3,344,521
Year ended 31 March 2018:					
Profit and total comprehensive income for the year		-	-	670,284	670,284
Balance at 31 March 2018		100	33	4,014,672	4,014,805
Year ended 31 March 2019:					
Profit and total comprehensive income for the year		-	-	457,402	457,402
Dividends	10	-	-	(700,000)	(700,000)
Balance at 31 March 2019		100	33	3,772,074	3,772,207

BRADWELL HALL NURSING HOME LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	25	1,553,134		1,446,954	
Interest paid		(135,310)		(106,000)	
Income taxes paid		(72,099)		(325,028)	
Net cash inflow from operating activities		1,345,725		1,015,926	
Investing activities					
Purchase of tangible fixed assets		(3,192,706)		(45,369)	
Proceeds from other investments and loans		(292,980)		(93,975)	
Interest received		3,030		453	
Net cash used in investing activities		(3,482,656)		(138,891)	
Financing activities					
Repayment of borrowings		(23,426)		(70,715)	
Repayment of bank loans		3,068,132		-	
Dividends paid		(700,000)		-	
Net cash generated from/(used in) financing activities		2,344,706		(70,715)	
Net increase in cash and cash equivalents		207,775		806,320	
Cash and cash equivalents at beginning of year		2,661,033		1,854,713	
Cash and cash equivalents at end of year		2,868,808		2,661,033	

BRADWELL HALL NURSING HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Bradwell Hall Nursing Home Limited is a private company limited by shares incorporated in England and Wales. The registered office is Bradwell Hall, Old Hall Drive, Bradwell, Newcastle under Lyme, Staffordshire, ST5 8RQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Plant and equipment	15% reducing balance
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

BRADWELL HALL NURSING HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Freehold land and buildings are not depreciated as it is the policy of the company to maintain the property in a condition where it would retain its original value.

1.5 Impairment of fixed assets

At each reporting period end date, the company 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 company estimates 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 market 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 profit or loss, 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 so 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

Stock is valued at current cost price.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

BRADWELL HALL NURSING HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

BRADWELL HALL NURSING HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

BRADWELL HALL NURSING HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

BRADWELL HALL NURSING HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

3 Turnover and other revenue

	2019	2018
	£	£
Other significant revenue		
Interest income	3,030	453
	<u> </u>	<u> </u>

4 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	7,000	-
Depreciation of owned tangible fixed assets	102,707	35,169
Cost of stocks recognised as an expense	595,950	577,205
Operating lease charges	700,000	602,158
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019	2018
	Number	Number
Care staff	349	343
Directors	4	4
	<u> </u>	<u> </u>
	353	347
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	5,546,381	4,571,613
Social security costs	351,187	278,507
Pension costs	91,439	147,135
	<u> </u>	<u> </u>
	5,989,007	4,997,255
	<u> </u>	<u> </u>

6 Directors' remuneration

	2019	2018
	£	£
Remuneration for qualifying services	309,266	173,600
	<u> </u>	<u> </u>

BRADWELL HALL NURSING HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

6 Directors' remuneration

(Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2019 £	2018 £
Remuneration for qualifying services	83,417	-

7 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	1,500	453
Other interest income	1,530	-
Total income	3,030	453

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	1,500	453
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8 Interest payable and similar expenses

	2019 £	2018 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	29,281	-
Other finance costs:		
Other interest	106,029	106,000
	135,310	106,000

9 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	124,133	182,307
Deferred tax		
Origination and reversal of timing differences	36,271	-
Total tax charge	160,404	182,307

BRADWELL HALL NURSING HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	617,806	852,591
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	117,383	161,992
Effect of change in corporation tax rate	(555)	-
Depreciation on assets not qualifying for tax allowances	12,017	-
Deferred tax adjustments in respect of prior years	31,559	20,315
Taxation charge for the year	160,404	182,307

10 Dividends

	2019 £	2018 £
Interim paid	700,000	-

11 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2018	-	584,606	280,616	34,722	899,944
Additions	3,125,524	56,089	11,093	-	3,192,706
At 31 March 2019	3,125,524	640,695	291,709	34,722	4,092,650
Depreciation and impairment					
At 1 April 2018	-	433,759	261,207	19,345	714,311
Depreciation charged in the year	63,248	31,040	4,575	3,844	102,707
At 31 March 2019	63,248	464,799	265,782	23,189	817,018
Carrying amount					
At 31 March 2019	3,062,276	175,896	25,927	11,533	3,275,632
At 31 March 2018	-	150,846	19,409	15,378	185,633

BRADWELL HALL NURSING HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

12 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	4,198,439	4,454,438
Carrying amount of financial liabilities		
Measured at amortised cost	6,312,879	3,130,722

13 Stocks

	2019 £	2018 £
Finished goods and goods for resale	2,000	2,000

14 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	1,027,255	773,039
Amounts owed by group undertakings	2,658,465	3,377,794
Other debtors	512,719	303,605
Prepayments and accrued income	25,155	-
	4,223,594	4,454,438

15 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Bank loans	17	73,131	-
Trade creditors		323,640	137,065
Corporation tax		145,319	93,285
Other taxation and social security		103,358	64,292
Other creditors		907,211	997,607
Accruals and deferred income		64,172	22,900
		1,616,831	1,315,149

BRADWELL HALL NURSING HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

16 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Bank loans and overdrafts	17	2,995,001	-
Other borrowings	17	1,949,724	1,973,150
		<u>4,944,725</u>	<u>1,973,150</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	2,178,866	-
	<u>2,178,866</u>	<u>-</u>

17 Loans and overdrafts

	2019 £	2018 £
Bank loans	3,068,132	-
Other loans	1,949,724	1,973,150
	<u>5,017,856</u>	<u>1,973,150</u>
Payable within one year	73,131	-
Payable after one year	4,944,725	1,973,150
	<u>4,944,725</u>	<u>1,973,150</u>

The long-term loans are secured by fixed and floating charges over the assets of the company.

18 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	19	36,271	-
		<u>36,271</u>	<u>-</u>

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
Accelerated capital allowances	36,271	-
	<u>36,271</u>	<u>-</u>

BRADWELL HALL NURSING HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

19 Deferred taxation (Continued)

Movements in the year:	2019 £
Liability at 1 April 2018	-
Effect of change in tax rate - profit or loss	36,271
Liability at 31 March 2019	<u>36,271</u>

20 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>91,439</u>	<u>147,135</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

21 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
66 Ordinary shares of £1 each	66	66
2 A Ordinary shares of £1 each	2	2
32 B Ordinary shares of £1 each	32	32
	<u>100</u>	<u>100</u>

The different classes of shares rank pari passu in all aspects other than the right to vote. Only the ordinary shares carry voting rights.

23 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Closing balance £
current account	-	93,975	-	93,975
current account	-	(208,015)	500,995	292,980
		<u>(114,040)</u>	<u>500,995</u>	<u>386,955</u>

BRADWELL HALL NURSING HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

24 Ultimate controlling party

The company is a wholly owned subsidiary of Huggies Day Nursery Limited a company registered in England.

The largest and smallest group of undertakings for which group accounts have been prepared is that headed up by Huggies Day Nursery Limited. Group consolidated financial statements can be obtained from the registered office of Huggies Day Nursery Limited.

25 Cash generated from operations

	2019 £	2018 £
Profit for the year after tax	457,402	670,284
Adjustments for:		
Taxation charged	160,404	182,307
Finance costs	135,310	106,000
Investment income	(3,030)	(453)
Depreciation and impairment of tangible fixed assets	102,707	35,169
Movements in working capital:		
Decrease in debtors	523,824	386,420
Increase in creditors	176,517	67,227
Cash generated from operations	<u>1,553,134</u>	<u>1,446,954</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.