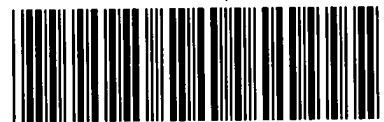


REGISTERED NUMBER: 09971402 (England and Wales)

DALEACRE HEALTHCARE LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2019

McGregors Corporate
Chartered Accountants &
Statutory Auditors
i2 Mansfield Suite 0.3
Hamilton Court
Oakham Business Park
Mansfield
Nottinghamshire
NG18 5FB

WEDNESDAY



A93ZWK68

A02

29/04/2020

#165

COMPANIES HOUSE

DALEACRE HEALTHCARE LIMITED
CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31st July 2019

	Page
Company Information	1
Strategic Report	2 to 3
Report of the Directors	4 to 5
Report of the Independent Auditors	6 to 7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 21
Trading and Profit and Loss Account	22 to 23

DALEACRE HEALTHCARE LIMITED

COMPANY INFORMATION
for the Year Ended 31st July 2019

DIRECTORS:

D R Evans
Mrs J A W Evans
J Such
R E Mcdonald
I C Mckenzie
Daleacre Holdings Limited

REGISTERED OFFICE:

11 Wilsthorpe Road
Breaston
Derby
Derbyshire
DE72 3EA

REGISTERED NUMBER:

09971402 (England and Wales)

AUDITORS:

McGregors Corporate
Chartered Accountants &
Statutory Auditors
i2 Mansfield Suite 0.3
Hamilton Court
Oakham Business Park
Mansfield
Nottinghamshire
NG18 5FB

DALEACRE HEALTHCARE LIMITED

STRATEGIC REPORT for the Year Ended 31st July 2019

The directors present their strategic report for the year ended 31st July 2019.

REVIEW OF BUSINESS

The group did not acquire any pharmacies during the financial year.

The group did however successfully relocate one of the pharmacies out of onerous leasehold premises into a previously purchased freehold property.

The period has been a satisfactory one showing significant organic growth in both turnover and NHS activity, and the directors expect this to continue in the coming year despite ongoing changes in the regulatory frameworks pharmacies, and the NHS in general

Continuing growth is dependent upon the overall market for health services within this country and the level of government funding to pharmacy and the NHS.

Throughout the financial year to 31 July 2019, the company has been subject to the claw back imposed on pharmacies in England due to the 2017 funding settlement. This claw back ceased in late summer 2019, and since then the performance of the company and the gross margin is much improved, and there is strong evidence of ongoing government underfunding to the sector which will need to be made good in the yet to be announced April 2020 funding settlement.

Since the year end the company has also seen significant increases in both prescription turnover (6%) and retail sales (10%), this has been maintained throughout the current Covid-19 crisis.

PRINCIPAL RISKS AND UNCERTAINTIES

Business risks

The main risks to the business are namely the reliance on the government and NHS which provide both the majority of business and control the drug tariff prices paid, and activities of the major competitors within the locality.

The aim is to mitigate the risks of the business as much as possible through active involvement in policy making processes, and by ensuring good relations with the doctors' surgeries, proximity to the doctors' surgeries, developing and maintaining good customer relations and by monitoring purchasing costs constantly.

Financial risks

The group's principal financial instruments comprise bank balances, bank loans and overdrafts, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the company's operations.

The company also has the option to finance business expansion by using related funding from trust fund and family investors, to minimise the risk of exposure to traditional methods of finance in uncertain times.

Due to the value and nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

The majority of trade debtors represent amounts owed by the NHS. Other trade debtors are managed closely in respect of credit and cash flow risk.

Trade creditor liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

FUTURE DEVELOPMENTS

The group continues to look for expansion by acquisition, internal means, and by increasingly providing services to other health professionals within the NHS.

The group is dependent on the continued expansion of the UK market in health services and products.

DALEACRE HEALTHCARE LIMITED

**STRATEGIC REPORT
for the Year Ended 31st July 2019**

KEY PERFORMANCE INDICATORS

The key performance indicators for the company are as follows:

	2019 £	2018 £
Total Turnover	10,011,245	9,886,390
Operating (loss)/Profit	(380,117)	(224,345)
EBITDA (Earnings before interest, tax depreciation and amortisation)	(218,744)	(64,484)
(Loss)/profit before tax	(399,890)	(240,593)
Number of Branches	10	10
Number of Freehold Properties	9	9

COVID-19 UPDATE


As of February/March 2020, the company has had to make plans to deal with the ongoing Covid-19 pandemic crisis. The company has formulated business continuity plans and facilitated home working and social distancing where possible for staff.

Personal Protection Equipment (PPE) and safety barriers have been installed in all pharmacies to mitigate the risk of virus transmission and to protect staff.

As the company's primary function is the provision of healthcare and it is one of the businesses allowed to remain open during the current crisis, the directors only expect minimal impact on performance ongoing.

The company is also in receipt of the Retail, Hospitality & Leisure grants available to qualifying businesses.

ON BEHALF OF THE BOARD:


.....
D R Evans - Director

Date: 27/4/2020

DALEACRE HEALTHCARE LIMITED

REPORT OF THE DIRECTORS for the Year Ended 31st July 2019

The directors present their report with the financial statements of the company for the year ended 31st July 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of pharmacies

DIVIDENDS

No dividends will be distributed for the year ended 31st July 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st August 2018 to the date of this report.

D R Evans
Mrs J A W Evans
J Such

Other changes in directors holding office are as follows:

R E McDonald - appointed 31st March 2019
I C McKenzie - appointed 31st March 2019
Daleacre Holdings Limited - appointed 31st March 2019

DISCLOSURE IN THE STRATEGIC REPORT

Items required under Schedule 7 to be disclosed in the directors report are contained in the Strategic report in accordance with s.414C(11) of the Companies Act 2006.

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). 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.

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 he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

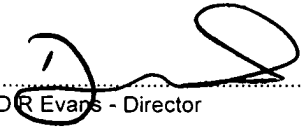
DALEACRE HEALTHCARE LIMITED

REPORT OF THE DIRECTORS
for the Year Ended 31st July 2019

AUDITORS

The auditors, McGregors Corporate, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
D R Evans - Director

Date: 27/4/2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DALEACRE HEALTHCARE LIMITED

Opinion

We have audited the financial statements of Daleacre Healthcare Limited (the 'company') for the year ended 31st July 2019 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 31st July 2019 and of its loss 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

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.

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 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 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.

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DALEACRE HEALTHCARE LIMITED**

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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.

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. This description forms part of our Report of the Auditors.

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.



Christopher Holder BA FCA (Senior Statutory Auditor)
for and on behalf of McGregors Corporate
Chartered Accountants &
Statutory Auditors
i2 Mansfield Suite 0.3
Hamilton Court
Oakham Business Park
Mansfield
Nottinghamshire
NG18 5FB

Date: *28 April 2020*

DALEACRE HEALTHCARE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended 31st July 2019

	Notes	2019 £	2018 £
TURNOVER		10,011,245	9,886,390
Cost of sales		<u>9,333,669</u>	<u>9,166,494</u>
GROSS PROFIT		677,576	719,896
Administrative expenses		<u>1,296,597</u>	<u>1,136,707</u>
		(619,021)	(416,811)
Other operating income		<u>238,904</u>	<u>192,466</u>
OPERATING LOSS	4	(380,117)	(224,345)
Interest payable and similar expenses	5	<u>19,773</u>	<u>16,248</u>
LOSS BEFORE TAXATION		(399,890)	(240,593)
Tax on loss	6	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		(399,890)	(240,593)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(399,890)</u>	<u>(240,593)</u>

The notes form part of these financial statements

DALEACRE HEALTHCARE LIMITED (REGISTERED NUMBER: 09971402)

BALANCE SHEET
31st July 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	7	10,280,412	10,280,412
Tangible assets	8	2,904,727	2,642,577
Investments	9	890,674	890,674
Investment property	10	1,422,779	1,286,295
		<u>15,498,592</u>	<u>15,099,958</u>
CURRENT ASSETS			
Stocks	11	488,451	534,612
Debtors	12	1,706,264	1,755,306
Cash at bank and in hand		3,490	4,816
		<u>2,198,205</u>	<u>2,294,734</u>
CREDITORS			
Amounts falling due within one year	13	4,318,932	3,572,167
NET CURRENT LIABILITIES		<u>(2,120,727)</u>	<u>(1,277,433)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,377,865</u>	<u>13,822,525</u>
CREDITORS			
Amounts falling due after more than one year	14	362,072	406,842
NET ASSETS		<u>13,015,793</u>	<u>13,415,683</u>
CAPITAL AND RESERVES			
Called up share capital	18	14,033,676	14,033,676
Retained earnings	19	(1,017,883)	(617,993)
SHAREHOLDERS' FUNDS		<u>13,015,793</u>	<u>13,415,683</u>

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

27 April 2020



.....
D R Evans - Director

The notes form part of these financial statements

DALEACRE HEALTHCARE LIMITED
STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31st July 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st August 2017	14,033,676	(377,400)	13,656,276
Changes in equity			
Total comprehensive income	-	(240,593)	(240,593)
Balance at 31st July 2018	<u>14,033,676</u>	<u>(617,993)</u>	<u>13,415,683</u>
Changes in equity			
Total comprehensive income	-	(399,890)	(399,890)
Balance at 31st July 2019	<u><u>14,033,676</u></u>	<u><u>(1,017,883)</u></u>	<u><u>13,015,793</u></u>

The notes form part of these financial statements

DALEACRE HEALTHCARE LIMITED

CASH FLOW STATEMENT
for the Year Ended 31st July 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	(246,688)	(66,920)
Interest paid		(19,773)	(16,248)
Net cash from operating activities		<u>(266,461)</u>	<u>(83,168)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(423,521)	(467,053)
Purchase of investment property		(136,484)	(101,795)
Grants		129,571	-
Net cash from investing activities		<u>(430,434)</u>	<u>(568,848)</u>
Cash flows from financing activities			
Loan repayments in year		(43,623)	(43,857)
Group undertakings loan		739,698	139,763
Net cash from financing activities		<u>696,075</u>	<u>95,906</u>
Decrease in cash and cash equivalents		<u>(820)</u>	<u>(556,110)</u>
Cash and cash equivalents at beginning of year	2	<u>(407,497)</u>	148,613
Cash and cash equivalents at end of year	2	<u><u>(408,317)</u></u>	<u><u>(407,497)</u></u>

The notes form part of these financial statements

DALEACRE HEALTHCARE LIMITED
NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31st July 2019

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2019	2018
	£	£
Loss before taxation	(399,890)	(240,593)
Depreciation charges	161,373	159,863
Finance costs	19,773	16,248
	(218,744)	(64,482)
Decrease/(increase) in stocks	46,161	(67,292)
(Increase)/decrease in trade and other debtors	(22,170)	31,470
(Decrease)/increase in trade and other creditors	(51,935)	33,384
Cash generated from operations	(246,688)	(66,920)

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 31st July 2019

	31.7.19	1.8.18
	£	£
Cash and cash equivalents	3,490	4,816
Bank overdrafts	(411,807)	(412,313)
	(408,317)	(407,497)

Year ended 31st July 2018

	31.7.18	1.8.17
	£	£
Cash and cash equivalents	4,816	148,613
Bank overdrafts	(412,313)	-
	(407,497)	148,613

The notes form part of these financial statements

DALEACRE HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31st July 2019

1. STATUTORY INFORMATION

Daleacre Healthcare Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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. The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about Daleacre Healthcare Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Daleacre Holdings Ltd, 11 Wilsthorpe Road, Breaston, Derby DE72 3EA.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and business, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised. The residual value of the goodwill is higher than the cost and therefore no amortisation has been charged to these accounts to reflect a true and fair view.

Intangible assets

When a company acquires a trading pharmacy, an element of the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired relates to the NHS Licence, representing the consideration paid to acquire the right to sell prescribed drugs in those retail outlets. The value of the NHS Licence at the date of acquisition is based on an assessment by the directors of the present value of future cash flows resulting from NHS turnover for each outlet. The NHS Licence does not attach to a specific Freehold or Leasehold property and exists in perpetuity. The residual value of the Licences are higher than the cost and therefore no amortisation has been charged to these accounts so as to show a true and fair view.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on cost

Grants

Grants are recognised in income when the grant proceeds are received (or receivable). In line with the performance method under FRS102, as the terms of the grant do not impose future performance-related conditions.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

DALEACRE HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st July 2019

2. ACCOUNTING POLICIES - continued

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

There has been no depreciation charged in accordance with FRS102.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable and bank accounts. All financial assets are measured at transaction price.

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.

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

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.

3. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	1,821,877	2,008,279
Social security costs	144,567	177,734
Other pension costs	10,208	19,686
	<u>1,976,652</u>	<u>2,205,699</u>

DALEACRE HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st July 2019**

3. EMPLOYEES AND DIRECTORS - continued

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

	2019	2018
Staff	116	107
Directors	5	3
	<u>121</u>	<u>110</u>
	2019	2018
	£	£
Directors' remuneration	<u>79,771</u>	<u>268,574</u>

4. OPERATING LOSS

The operating loss is stated after charging:

	2019	2018
	£	£
Other operating leases	24,231	41,686
Depreciation - owned assets	161,371	159,863
Auditors' remuneration	<u>4,550</u>	<u>7,500</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank interest	6,860	3,528
Bank loan interest	<u>12,913</u>	<u>12,720</u>
	<u>19,773</u>	<u>16,248</u>

6. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31st July 2019 nor for the year ended 31st July 2018.

DALEACRE HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st July 2019

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2019 £	2018 £
Loss before tax	<u>(399,890)</u>	<u>(240,593)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	<u>(75,979)</u>	<u>(45,713)</u>
Effects of:		
Expenses not deductible for tax purposes	-	26,218
Income not taxable for tax purposes	-	(94,031)
Capital allowances in excess of depreciation	-	(61,637)
Utilisation of tax losses	-	94,031
Loss carried forward	<u>75,979</u>	<u>81,132</u>
Total tax charge	<u>-</u>	<u>-</u>

7. INTANGIBLE FIXED ASSETS

	Goodwill £	NHS Licences £	Totals £
COST			
At 1st August 2018 and 31st July 2019	<u>6,330,412</u>	<u>3,950,000</u>	<u>10,280,412</u>
NET BOOK VALUE			
At 31st July 2019	<u>6,330,412</u>	<u>3,950,000</u>	<u>10,280,412</u>
At 31st July 2018	<u>6,330,412</u>	<u>3,950,000</u>	<u>10,280,412</u>

DALEACRE HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st July 2019

8. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant and machinery £
COST			
At 1st August 2018	2,278,991	3	157,478
Additions	317,729	-	-
At 31st July 2019	2,596,720	3	157,478
DEPRECIATION			
At 1st August 2018	78,387	-	41,197
Charge for year	49,200	-	29,070
At 31st July 2019	127,587	-	70,267
NET BOOK VALUE			
At 31st July 2019	2,469,133	3	87,211
At 31st July 2018	2,200,604	3	116,281

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1st August 2018	382,551	6,040	87,217	2,912,280
Additions	94,022	-	11,770	423,521
At 31st July 2019	476,573	6,040	98,987	3,335,801
DEPRECIATION				
At 1st August 2018	115,959	1,518	32,642	269,703
Charge for year	59,195	1,130	22,776	161,371
At 31st July 2019	175,154	2,648	55,418	431,074
NET BOOK VALUE				
At 31st July 2019	301,419	3,392	43,569	2,904,727
At 31st July 2018	266,592	4,522	54,575	2,642,577

DALEACRE HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st July 2019**

9. FIXED ASSET INVESTMENTS

	Shares in group undertaking £
COST	
At 1st August 2018 and 31st July 2019	<u>890,674</u>
NET BOOK VALUE	
At 31st July 2019	<u>890,674</u>
At 31st July 2018	<u>890,674</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Knotfree Limited

Registered office: 11 Wilsthorpe Road, Breaston, Derbyshire, DE72 3EA

Nature of business: Pharmacy

	%	2019	2018
Class of shares:	holding	£	£
Ordinary shares	75.00	199,520	193,972
Preference shares	100.00	<u>5,548</u>	<u>25,220</u>
Aggregate capital and reserves			
Profit for the year			

Daleacre Medical Services Limited

Registered office: 11 Wilsthorpe Road, Breaston, Derbyshire, DE72 3EA

Nature of business: Pharmacy

	%	2019	31.7.18
Class of shares:	holding	£	£
Ordinary shares	100.00	1,536	(5,969)
Aggregate capital and reserves		<u>7,505</u>	<u>716,233</u>
Profit for the year/period			

10. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1st August 2018	1,286,295
Additions	<u>136,484</u>
At 31st July 2019	<u>1,422,779</u>
NET BOOK VALUE	
At 31st July 2019	<u>1,422,779</u>
At 31st July 2018	<u>1,286,295</u>

DALEACRE HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st July 2019

10. INVESTMENT PROPERTY - continued

The properties are considered to be held at fair value by the directors. The values were reviewed during the year and were deemed to not be materially different to those values reflected in the financial statements.

11. STOCKS

	2019 £	2018 £
Stocks	<u>488,451</u>	<u>534,612</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	1,525,606	1,489,523
Amounts owed by group undertakings	36,698	107,910
Other debtors	22,034	17,121
VAT	109,680	99,231
Prepayments and accrued income	12,246	41,521
	<u>1,706,264</u>	<u>1,755,306</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Bank loans and overdrafts (see note 15)	458,696	458,096
Trade creditors	1,512,100	1,563,589
Amounts owed to group undertakings	2,284,920	1,486,820
Social security and other taxes	51,111	51,557
Accrued expenses	12,105	12,105
	<u>4,318,932</u>	<u>3,572,167</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Bank loans (see note 15)	<u>362,072</u>	<u>406,842</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year or on demand:		
Bank overdrafts	411,807	412,313
Bank loans	46,889	45,783
	<u>458,696</u>	<u>458,096</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>48,077</u>	<u>46,944</u>

DALEACRE HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st July 2019**

15. LOANS - continued

	2019 £	2018 £
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>151,668</u>	<u>148,092</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>162,327</u>	<u>211,806</u>

The bank loan is repayable over 10 years with monthly repayments of £4,715

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019 £	2018 £
Within one year	13,500	22,400
Between one and five years	27,250	14,000
In more than five years	28,000	-
	<u>68,750</u>	<u>36,400</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2019 £	2018 £
Bank overdraft	411,807	-
Bank loans	408,961	452,625
	<u>820,768</u>	<u>452,625</u>

The bank loan is secured by a first legal charge over the freehold property and a debenture over the company's assets.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
14,033,676	Ordinary	1	<u>14,033,676</u>	<u>14,033,676</u>

DALEACRE HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st July 2019

19. RESERVES

	Retained earnings £
At 1st August 2018	(617,993)
Deficit for the year	(399,890)
At 31st July 2019	<u>(1,017,883)</u>

20. ULTIMATE PARENT COMPANY

Daleacre Holdings Limited (incorporated in UK) is regarded by the directors as being the company's ultimate parent company.

The parents registered office address is 11 Wilsthorpe Road, Breaston, Derby, Derbyshire, DE72 3EA.

21. CONTINGENT LIABILITIES

The company is party to a group cross guarantee agreement. The company is potentially liable for £836,725 however the directors do not consider that this guarantee will be called upon.

The company is party to a debenture including fixed charge over all present freehold and leasehold property; first fixed charge over book and other debtors, chattels, goodwill and uncalled capital, both present and future, and a first floating charge over all assets and undertaking both present and future.