

COMPANY REGISTRATION NUMBER: 02853138

St. Martin's Care Limited
Financial Statements
31 March 2019



MITCHELLS
Chartered accountant & statutory auditor
Swallow House
Parsons Road
Washington
Tyne and Wear
NE37 1EZ

St. Martin's Care Limited

Financial Statements

Year ended 31 March 2019

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St. Martin's Care Limited
Officers and Professional Advisers

Director Mr K Pattison

Registered office 11 Berrymoor Court
Northumberland Business Park
Cramlington
England
NE23 7RZ

Auditor Mitchells
Chartered accountant & statutory auditor
Swallow House
Parsons Road
Washington
Tyne and Wear
NE37 1EZ

Bankers National Westminster Bank plc
The Galleries
Washington
Tyne and Wear
NE38 7SG

St. Martin's Care Limited

Strategic Report

Year ended 31 March 2019

The Company has experienced a very difficult trading year. The care sector continues to be a challenging environment within which to operate. The Company's residents are predominantly Local Authority funded rather than private and Local Authority funding rates continue to be lower than the true cost of care with annual increases below the sector cost of inflation. Increasing demands from regulators and Local Authorities regarding compliance, quality of care and the facilities provided to residents in care homes also place further cost pressure that is not fully compensated for through funding rates. To compound matters further, the Company's sole director, Mr Kevin Pattison was absent from the business for a period due to personal circumstances. During this time, the Company's operational management team was not fully supported nor directed and, as a result, the day to day management of the Company suffered. Occupancy fell at the same time as costs were rising without adequate review or control impacting particularly on repairs and maintenance, wages and agency staff costs. This has resulted in an overall loss for the year.

Following Mr Pattison's return however, significant management staff changes have been made, including the appointment of a new Head of Care in Ms Melanie Burnett and a CEO/CFO in Mr Keith Milton ACA. The Company now firmly believes that it has the leadership team in place to run the business, face the challenges ahead and deliver sustainable profitability whilst delivering the best quality of care possible. In fact, these leadership team changes, coupled with a cost review, have resulted in increased income and reduced wages and overhead costs in the current financial year. Reviewed management accounts to date are showing that the group has been profitable for every month of the financial year to date, and EBITDA is expected to be in excess of £2M for the year to 31st March 2020.

The future will continue to be challenging and the Company is not complacent about this. The Company's care home residents are funded by a mixture of private and Local Authority sources. Changes in Local Authority funding levels continue to have an impact on the profitability of the Company but these are being actively managed by engaging closer with Local Authorities, both directly and via care home association groups. The Company will continue to invest in its homes to provide the best quality care and manage its day to day operations better through the development of improved compliance tools, financial reporting and the use of KPIs.

The Board's strategy continues to be to provide high quality care for residents on the basis of a "home from home" service. The Company's aim is to ensure our residents enjoy a happy, comfortable and safe environment where their personal needs and independent requirements are taken into account by our compassionate and highly trained staff. We are all people of high integrity and are committed to excellence in all that we do.

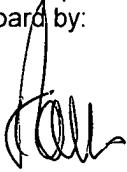
The residents in our homes are elderly and vulnerable. The Company operates and continuously improves its systems to ensure all risks in these areas are effectively and safely managed. The Board is pleased to report continued recognition of this by regulatory authorities.

St. Martin's Care Limited

Strategic Report *(continued)*

Year ended 31 March 2019

This report was approved by the board of directors on 19 December 2019 and signed on behalf of the board by:



Mr K Pattison
Director

Registered office:
11 Berrymoor Court
Northumberland Business Park
Cramlington
England
NE23 7RZ

St. Martin's Care Limited

Director's Report

Year ended 31 March 2019

The director presents his report and the financial statements of the company for the year ended 31 March 2019.

Principal activities

The principal activity of the company during the year was that of a care home provider.

Director

The director who served the company during the year was as follows:

Mr K Pattison

Dividends

The director does not recommend the payment of a dividend.

Future developments

The Company has continued to improve its facilities in caring for those residents affected by dementia.

Employment of disabled persons

The Company's policy is to recruit disabled workers for those vacancies that they are able to fill.

All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Employee involvement

The Company's policy is to consult and discuss with employees (through unions, staff councils and at meetings), the matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's performance.

There is no employee share scheme at present, but the director is considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the Company's performance.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Directors have set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

St. Martin's Care Limited

Director's Report *(continued)*

Year ended 31 March 2019

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 director is 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. He is 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

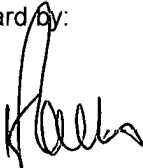
A resolution to reappoint Mitchells as auditors will be proposed at the forthcoming Annual General Meeting.

St. Martin's Care Limited

Director's Report *(continued)*

Year ended 31 March 2019

This report was approved by the board of directors on 19 December 2019 and signed on behalf of the board by:



Mr K Pattison
Director

Registered office:
11 Berrymoor Court
Northumberland Business Park
Cramlington
England
NE23 7RZ

St. Martin's Care Limited

Independent Auditor's Report to the Members of St. Martin's Care Limited

Year ended 31 March 2019

Opinion

We have audited the financial statements of St. Martin's Care Limited (the 'company') for the year ended 31 March 2019 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, 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).

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

In our opinion 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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.

St. Martin's Care Limited

Independent Auditor's Report to the Members of St. Martin's Care Limited (continued)

Year ended 31 March 2019

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report.

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

- adequate accounting records have not been kept, 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

St. Martin's Care Limited

Independent Auditor's Report to the Members of St. Martin's Care Limited (continued)

Year ended 31 March 2019

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

St. Martin's Care Limited

Independent Auditor's Report to the Members of St. Martin's Care Limited (continued)

Year ended 31 March 2019

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



David Gair (Senior Statutory Auditor)

For and on behalf of
Mitchells
Chartered accountant & statutory auditor
Swallow House
Parsons Road
Washington
Tyne and Wear
NE37 1EZ

19 December 2019

St. Martin's Care Limited
Statement of Income and Retained Earnings
Year ended 31 March 2019

	Note	2019 £	2018 £
Turnover	4	11,561,532	11,545,994
Cost of sales		<u>8,518,235</u>	<u>7,705,636</u>
Gross profit		3,043,297	3,840,358
Administrative expenses		<u>3,806,317</u>	<u>3,750,044</u>
Other operating income	5	<u>24,000</u>	<u>—</u>
Operating (loss)/profit	6	(739,020)	90,314
Interest payable and similar expenses	9	<u>21,959</u>	<u>20,330</u>
(Loss)/profit before taxation		(760,979)	69,984
Tax on (loss)/profit	10	<u>(145,996)</u>	<u>18,190</u>
(Loss)/profit for the financial year and total comprehensive income		<u>(614,983)</u>	<u>51,794</u>
Retained earnings at the start of the year		<u>2,664,668</u>	<u>2,612,874</u>
Retained earnings at the end of the year		<u>2,049,685</u>	<u>2,664,668</u>

All the activities of the company are from continuing operations.

The notes on pages 14 to 22 form part of these financial statements.

St. Martin's Care Limited
Statement of Financial Position

31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	990,593	821,806
Current assets			
Stocks	12	10,000	10,000
Debtors	13	3,275,763	9,659,185
Cash at bank and in hand		5,009	243,042
		<u>3,290,772</u>	<u>9,912,227</u>
Creditors: amounts falling due within one year	15	<u>2,249,342</u>	<u>7,933,134</u>
Net current assets		<u>1,041,430</u>	<u>1,979,093</u>
Total assets less current liabilities		<u>2,032,023</u>	<u>2,800,899</u>
Creditors: amounts falling due after more than one year	16	15,564	22,700
Provisions			
Taxation including deferred tax	18	(33,326)	113,431
Net assets		<u>2,049,785</u>	<u>2,664,768</u>
Capital and reserves			
Called up share capital	22	100	100
Profit and loss account	23	<u>2,049,685</u>	<u>2,664,668</u>
Shareholders funds		<u>2,049,785</u>	<u>2,664,768</u>

These financial statements were approved by the board of directors and authorised for issue on 19 December 2019, and are signed on behalf of the board by:



Mr K Pattison
Director

Company registration number: 02853138

The notes on pages 14 to 22 form part of these financial statements.

St. Martin's Care Limited

Statement of Cash Flows

Year ended 31 March 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
(Loss)/profit for the financial year		(614,983)	51,794
<i>Adjustments for:</i>			
Depreciation of tangible assets		147,784	142,007
Interest payable and similar expenses		21,959	20,330
Loss on disposal of tangible assets		—	845
Tax on (loss)/profit		(145,996)	18,190
Accrued expenses		113,417	16,091
<i>Changes in:</i>			
Trade and other debtors		28,736	(873,350)
Trade and other creditors		283,504	198,280
Cash generated from operations		(165,579)	(425,813)
Interest paid		(21,959)	(20,330)
Tax paid		(11,429)	(10,063)
Net cash from/(used in) operating activities		<u>(198,967)</u>	<u>(456,206)</u>
Cash flows from investing activities			
Purchase of tangible assets		(316,571)	(152,049)
Proceeds from sale of tangible assets		—	8,000
Net cash used in investing activities		<u>(316,571)</u>	<u>(144,049)</u>
Cash flows from financing activities			
Proceeds from loans from group undertakings		(342,608)	1,384,553
Payments of finance lease liabilities		(13,728)	(19,771)
Net cash (used in)/from financing activities		<u>(356,336)</u>	<u>1,364,782</u>
Net (decrease)/increase in cash and cash equivalents		(871,874)	764,527
Cash and cash equivalents at beginning of year		243,042	(521,485)
Cash and cash equivalents at end of year	14	<u>(628,832)</u>	<u>243,042</u>

The notes on pages 14 to 22 form part of these financial statements.

St. Martin's Care Limited
Notes to the Financial Statements
Year ended 31 March 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 11 Berrymoor Court, Northumberland Business Park, Cramlington, England, NE23 7RZ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

St. Martin's Care Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

3. Accounting policies *(continued)*

Income tax *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and Fittings	- 15% reducing balance
Motor Vehicles	- 25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

St. Martin's Care Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

3. Accounting policies *(continued)*

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

St. Martin's Care Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2019 £	2018 £
Rendering of services	<u>11,561,532</u>	<u>11,545,994</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Other operating income

	2019 £	2018 £
Management charges receivable	<u>24,000</u>	<u>—</u>

6. Operating profit

Operating profit or loss is stated after charging:

	2019 £	2018 £
Depreciation of tangible assets	147,784	142,007
Loss on disposal of tangible assets	—	845
Impairment of trade debtors	<u>93,140</u>	<u>—</u>

7. Auditor's remuneration

	2019 £	2018 £
Fees payable for the audit of the financial statements	<u>10,000</u>	<u>10,000</u>

St. Martin's Care Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

8. Staff costs

The average number of persons employed by the company during the year, including the director, amounted to:

	2019 No.	2018 No.
Administrative staff	12	12
Number of care home staff	458	452
	<u>470</u>	<u>464</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019 £	2018 £
Wages and salaries	7,566,767	6,985,836
Social security costs	439,127	375,462
Other pension costs	81,279	35,305
	<u>8,087,173</u>	<u>7,396,603</u>

9. Interest payable and similar expenses

	2019 £	2018 £
Interest on banks loans and overdrafts	19,223	15,918
Interest on obligations under finance leases and hire purchase contracts	2,736	4,412
	<u>21,959</u>	<u>20,330</u>

10. Tax on (loss)/profit

Major components of tax (income)/expense

	2019 £	2018 £
Current tax:		
UK current tax expense	–	9,415
Adjustments in respect of prior periods	761	–
Total current tax	<u>761</u>	<u>9,415</u>
Deferred tax:		
Origination and reversal of timing differences	(146,757)	8,775
Tax on (loss)/profit	<u>(145,996)</u>	<u>18,190</u>

St. Martin's Care Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

10. Tax on (loss)/profit *(continued)*

Reconciliation of tax (income)/expense

The tax assessed on the (loss)/profit on ordinary activities for the year is lower than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
(Loss)/profit on ordinary activities before taxation	(760,979)	69,984
(Loss)/profit on ordinary activities by rate of tax	–	13,297
Effect of expenses not deductible for tax purposes	5,507	32,102
Effect of capital allowances and depreciation	(4,746)	(35,984)
Other tax adjustment to increase/(decrease) tax liability - Deferred tax	(146,757)	8,775
Tax on (loss)/profit	(145,996)	18,190

11. Tangible assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost			
At 1 April 2018	1,933,307	83,008	2,016,315
Additions	316,571	–	316,571
At 31 March 2019	2,249,878	83,008	2,332,886
Depreciation			
At 1 April 2018	1,162,192	32,317	1,194,509
Charge for the year	135,077	12,707	147,784
At 31 March 2019	1,297,269	45,024	1,342,293
Carrying amount			
At 31 March 2019	952,609	37,984	990,593
At 31 March 2018	771,115	50,691	821,806

12. Stocks

	2019 £	2018 £
Raw materials and consumables	10,000	10,000

St. Martin's Care Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

13. Debtors

	2019 £	2018 £
Trade debtors	610,821	553,663
Amounts owed by group undertakings	2,524,695	8,879,381
Prepayments and accrued income	108,380	218,125
Other debtors	31,867	8,016
	<u>3,275,763</u>	<u>9,659,185</u>

14. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2019 £	2018 £
Cash at bank and in hand	5,009	243,042
Bank overdrafts	(633,841)	—
	<u>(628,832)</u>	<u>243,042</u>

15. Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	633,841	—
Trade creditors	863,166	778,648
Amounts owed to group undertakings	—	6,697,294
Accruals and deferred income	359,759	246,342
Corporation tax	—	10,668
Social security and other taxes	342,173	145,394
Obligations under finance leases and hire purchase contracts	18,423	25,015
Other creditors	31,980	29,773
	<u>2,249,342</u>	<u>7,933,134</u>

The bank overdraft is secured.

16. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Obligations under finance leases and hire purchase contracts	<u>15,564</u>	<u>22,700</u>

St. Martin's Care Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

17. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2019 £	2018 £
Not later than 1 year	18,423	25,015
Later than 1 year and not later than 5 years	15,564	22,700
	<u>33,987</u>	<u>47,715</u>

18. Provisions

	Deferred tax (note 19) £
At 1 April 2018	113,431
Additions	(146,757)
At 31 March 2019	<u>(33,326)</u>

19. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2019 £	2018 £
Included in provisions (note 18)	<u>(33,326)</u>	<u>113,431</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019 £	2018 £
Accelerated capital allowances	<u>(33,326)</u>	<u>113,431</u>

20. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £81,279 (2018: £35,305).

21. Financial instruments

There are no financial instruments which require disclosure under FRS102.

St. Martin's Care Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

22. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

23. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

24. Contingencies

There are cross guarantees in place between the company and the other companies within the group.

25. Related party transactions

The Company is related to the following companies due to common control: Beaucette Property Holdings Limited, Darnley Topco (Guernsey) Limited, Corbiere Property Holdings Limited (all registered in Guernsey) and Darnley Bidco Limited.

During the year there have been transactions with these companies under normal commercial terms as follows:

Rent charged by Beaucette Property Holdings Limited and Corbiere Property Holdings Limited was £885,000 and £585,000 (2018: £958,750 and £633,750) respectively.

At the year end the company was owed £10,225,274 (2018: £8,879,381) by Darnley Bidco Limited.

At the year end the company owed £1,822,334 (2018: £1,388,100) to Corbiere Property Holdings Limited and £5,878,249 to Beaucette Property Holdings Limited (2018: £5,309,193).

Included within other debtors, there is a balance relating to Cyclone (Newcastle) Limited and Lorenzo (North East) Limited of £24,000. Kevin Pattison is a 50% shareholder of both companies.

26. Controlling party

The company is a 100% owned subsidiary of Darnley Bidco Limited, a company registered in England and Wales. The Company is under the control of Mr Kevin Pattison by virtue of the fact that he has controlling interest in the ultimate holding company. The ultimate holding company is Darnley Topco (Guernsey) Limited, a company registered in Guernsey.

St. Martin's Care Limited

Management Information

Year ended 31 March 2019

The following pages do not form part of the financial statements.

St. Martin's Care Limited

Detailed Income Statement

Year ended 31 March 2019

	2019 £	2018 £
Turnover	11,561,532	11,545,994
Cost of sales		
Opening stock	10,000	10,000
Food	489,272	459,111
Kitchen, cleaning and sanitary	258,197	238,611
Wages and salaries	6,572,397	6,031,818
Temporary/Agency staff	713,351	601,704
Social security costs	403,739	339,087
Pension costs - defined contribution	81,279	35,305
	<u>8,528,235</u>	<u>7,715,636</u>
Closing stock	10,000	10,000
	<u>8,518,235</u>	<u>7,705,636</u>
Gross profit	3,043,297	3,840,358
Overheads		
Administrative expenses	3,806,317	3,750,044
Other operating income	24,000	—
Operating (loss)/profit	(739,020)	90,314
Interest payable and similar expenses	(21,959)	(20,330)
(Loss)/profit before taxation	<u>(760,979)</u>	<u>69,984</u>