Company Registration No. 03066903 (England and Wales)

SHELTON CARE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 MARCH 2019

SHELTON CARE LIMITED

COMPANY INFORMATION

Directors	Mr J Allen	(Appointed 11 March 2019)
	Mr F Lalani	
	Mr J Mawji	
	Miss C Moore	(Appointed 1 March 2019)
	Mr D Rowe-Bewick	
	Mrs K Lewis	(Appointed 24 June 2018)
Company number	03066903	
Registered office	Suite 22 The Globe Centre St James Square Accrington Lancashire BB5 0RE	
Auditor	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW	

SHELTON CARE LIMITED

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SHELTON CARE LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 30 MARCH 2019

The directors present the strategic report for the period ended 30 March 2019.

The principal activity of the company continued to be that of the provision of specialist care and educational services for people with learning disabilities.

During the period the Company changed its accounting reference date from 11 June 2019 to 30 March 2019.

The directors aim to present a balanced and comprehensive review of the development and performance of the business during the period and its position at the period end. Our review is consistent with the size and non-complex nature of the business and written in the context of the risks and uncertainties we face.

Fair review of the business

Shelton Care Limited ("the company") operates in the North Staffordshire area. During the period the Company has continued to develop its business through organic growth. The overall turnover of the Company for the financial period from 12 June 2018 to 30 March 2019 was £9,319,837 compared to £8,585,708 for the period from 1 September 2017 to 11 June 2018; thus turnover has increased by 8.6% (2018: 5% increase) due to an increase in occupancy and fee levels.

There has been an increase in the gross profit margin in the period to 33.2% (2018: 31.8%); this is due to the overall increase in sales and the economies of scale this brings. Whilst there was a greater reliance on agency staff in the period due to short term recruitment issues, significantly improved agency rates helped mitigate the financial impact. The result of this was that overall direct staffing costs reduced in the period to 64.1% (2018: 65.5%).

Principal risks and uncertainties

The principal risks and uncertainties are competition with the local area, the dependency on revenues from local authorities who are facing budget cuts, the provision of substandard care or the non-compliance with regulatory requirements.

The Company manages this risk by investing heavily in staff training and implementing internal controls such as quality audits, periodic reviews of the services provided and the setting of performance targets.

Since the balance sheet date, the outlook of the UK and Global economy has become increasingly uncertain due to the spread of the COVID-19 virus. The directors have assessed the impact to the group and, due to the sector in which the group operates and the board-led plans in place, they do not believe there to be any significant impact to the trading activities of the group in the short t medium term.

Key performance indicators

The Company's directors are of the opinion that further analysis of KPI's, other than those described in the business review are not necessary in order to understand the development and performance of the business due to its straightforward nature.

On behalf of the board

D. Rowe-Bewick

Mr D Rowe-Bewick
Director
19 May 2020

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 MARCH 2019

The directors present their annual report and financial statements for the period ended 30 March 2019.

Directors

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

Mr J Allen	(Appointed 11 March 2019)
Mr F Lalani	
Mr J Mawji	
Miss C Moore	(Appointed 1 March 2019)
Mr D Rowe-Bewick	
Mr D Stanhope	(Appointed 12 June 2018 and resigned 11 January 2019)
Mrs K Lewis	(Appointed 24 June 2018)

Results and dividends

The results for the period are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Financial instruments

Liquidity risk

The risk that the company will not be able to meet its financial obligations as and when they fall due. The company manages liquidity risk by maintaining adequate banking facilities and by continuously monitoring forecast and actual cash flows.

Credit risk

The risk of financial loss to the company if a customer or counterparty fails to meet its contractual obligations and arise principally from amounts receivable from debtors.

The company has no significant concentration of credit risk ; this risk is managed by the structuring of contracts with counterparties and by implementing appropriate credit control procedures in the conduct of its business. The customers of the company are mainly local authorities and other public bodies, therefore, the risk of bad debts from these is considered to be relatively minor.

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.

Employee involvement

The board continues to place emphasis on high standards of customer care and service; the commitment of every employee to this business requirement is essential. Accordingly the company has continued to develop its arrangements for employee information, consultation, communication and involvement. The company has introduced an employee forum and continues to hold its annual 'Outstanding Achievement Award' to recognise and promote good practice throughout the business.

Future developments

The directors continue to maintain the management policies which have resulted in the company's growth in recent years. They consider that the future years will show a further growth in turnover from continuing operations attributable to the development of new and existing services.

Auditor

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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.

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.

On behalf of the board

Mr D Rowe-Bewick
Director
19 May 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF SHELTON CARE LIMITED

Opinion

We have audited the financial statements of Shelton Care Limited (the 'company') for the period ended 30 March 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 March 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF SHELTON CARE 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 period 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 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.

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.

Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Marc Waterman (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young 19 May 2020

Chartered Accountants
Statutory Auditor

SHELTON CARE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 MARCH 2019

	Notes	Period ended 30 March 2019 £	Period ended 11 June 2018 £
Turnover	3	9,319,837	8,585,708
Cost of sales		(6,226,036)	(5,852,100)
Gross profit		3,093,801	2,733,608
Administrative expenses		(2,374,324)	(2,799,054)
Other operating income		22,256	35,063
Profit/(loss) on disposal of property	4	(791,081)	-
Amounts written off intercompany loans	4	-	(612,136)
Operating loss	5	(49,348)	(642,519)
Interest payable and similar expenses	9	(46,601)	(111,406)
Loss before taxation		(95,949)	(753,925)
Tax on loss	10	(124,370)	85,375
Loss for the financial period		(220,319)	(668,550)
Other comprehensive income			
Revaluation of tangible fixed assets		-	3,565,631
Tax relating to other comprehensive income		-	(549,131)
Total comprehensive income for the period		(220,319)	2,347,950

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

SHELTON CARE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 MARCH 2019

	Period ended 30 March 2019 £	Period ended 11 June 2018 £
Loss for the period	(220,319)	(668,550)
Other comprehensive income		
Revaluation of tangible fixed assets	-	3,565,631
Tax relating to other comprehensive income	-	(549,131)
Other comprehensive income for the period	-	3,016,500
Total comprehensive income for the period	(220,319)	2,347,950

SHELTON CARE LIMITED

BALANCE SHEET

AS AT 30 MARCH 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Intangible assets	12		2,083		4,047
Tangible assets	13		5,304,513		12,384,177
Investments	14		200		200
			5,306,796		12,388,424
Current assets					
Debtors	16	4,929,832		2,335,593	
Cash at bank and in hand		152,627		78,083	
		5,082,459		2,413,676	
Creditors: amounts falling due within one year	17	(2,965,145)		(6,026,734)	
Net current assets/(liabilities)			2,117,314		(3,613,058)
Total assets less current liabilities			7,424,110		8,775,366
Provisions for liabilities	19		(466,032)		(1,596,969)
Net assets			6,958,078		7,178,397
Capital and reserves					
Called up share capital	22		200		200
Revaluation reserve			1,461,423		7,062,358
Capital redemption reserve			30,000		30,000
Profit and loss reserves			5,466,455		85,839
Total equity			6,958,078		7,178,397

The financial statements were approved by the board of directors and authorised for issue on 19 May 2020 and are signed on its behalf by:

D. Rowe-Bewick

Mr D Rowe-Bewick
Director

Company Registration No. 03066903

SHELTON CARE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 MARCH 2019

	Notes	Share capital	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
		£	£	£	£	£
Balance at 1 September 2017		200	4,168,603	30,000	641,644	4,840,447
Period ended 11 June 2018:						
Loss for the period		-	-	-	(668,550)	(668,550)
Other comprehensive income:						
Revaluation of tangible fixed assets		-	3,565,631	-	-	3,565,631
Tax relating to other comprehensive income		-	(549,131)	-	-	(549,131)
Total comprehensive income for the period		-	3,016,500	-	(668,550)	2,347,950
Dividends	11	-	-	-	(10,000)	(10,000)
Transfers		-	(122,745)	-	122,745	-
Balance at 11 June 2018		200	7,062,358	30,000	85,839	7,178,397
Period ended 30 March 2019:						
Loss and total comprehensive income for the period		-	-	-	(220,319)	(220,319)
Transfers		-	(5,600,935)	-	5,600,935	-
Balance at 30 March 2019		200	1,461,423	30,000	5,466,455	6,958,078

1 Accounting policies

Company information

Shelton Care Limited is a private company limited by shares incorporated in England and Wales. The registered office is Suite 22 The Globe Centre, St James Square, Accrington, Lancashire, BB5 0RE.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of National Care Group Ltd. These consolidated financial statements are available from Companies House.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

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 Accounting policies (Continued)

1.3 Reporting period

The company has shortened its accounting reference date and therefore presents its financial statements for 9.5 months period ended 30 March 2019. The comparative period also represents 9.5 months ending 11 June 2018.

1.4 Turnover

Turnover represents net invoiced to residents and is recognised in the period of residence.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation 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:

Software	3 years straight line

1.6 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	Over 50 years straight line
Leasehold land and buildings	Over the term of the lease
Fixtures and fittings	Over 4 - 10 years straight line
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.

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1 Accounting policies **(Continued)**

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

1.9 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.

1 Accounting policies **(Continued)**

1.10 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

1 Accounting policies **(Continued)**

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.

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 though 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.

1.11 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.

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

1 Accounting policies **(Continued)**

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.

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.

1.13 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.

1.14 Retirement benefits

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

1.15 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.

1 Accounting policies (Continued)

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Freehold land and buildings

Freehold land and buildings are valued at each balance sheet date at fair value. Fair value is ascertained through review of a number of factors and information flows, including market knowledge, recent market movements, historical experience and rent levels. There is an inevitable degree of judgement involved and value can only be reliably tested ultimately in the market itself.

The directors have assessed that there are no significant accounting estimates or assumptions that require disclosing in these financial statements.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019	2018
	£	£
Turnover analysed by class of business		
Care services	9,319,837	8,585,708

3 Turnover and other revenue (Continued)

	2019	2018
	£	£
Other significant revenue		
Grants received	7,500	10,524

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

4 Exceptional items

	2019	2018
	£	£
Loss on disposal of properties	791,081	-
Amounts written off intercompany loan	-	612,136

5 Operating loss

	2019	2018
Operating loss for the period is stated after charging/(crediting):	£	£
Government grants	(7,500)	(10,524)
Depreciation of owned tangible fixed assets	190,835	318,695
Amortisation of intangible assets	1,964	2,045
Operating lease charges	546,504	104,969

6 Auditor's remuneration

	2019	2018
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	-	20,512

7 Employees

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

	2019 Number	2018 Number
Care	407	452
Office and management	38	33
	445	485

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	5,791,942	5,900,094
Social security costs	354,935	392,392
Pension costs	70,374	51,229
	6,217,251	6,343,715

8 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	-	9,108

9 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and loans	46,601	111,406

10 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	1,171,495	(82,440)
Adjustments in respect of prior periods	92,612	(2,935)
Total current tax	1,264,107	(85,375)
Deferred tax		
Origination and reversal of timing differences	(1,189,156)	-
Changes in tax rates	125,175	-
Adjustment in respect of prior periods	(75,756)	-
Total deferred tax	(1,139,737)	-
Total tax charge/(credit)	124,370	(85,375)

The actual charge/(credit) for the period can be reconciled to the expected credit for the period based on the profit or loss and the standard rate of tax as follows:

	2019	2018
	£	£
Loss before taxation	(95,949)	(753,925)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(18,230)	(143,246)
Tax effect of expenses that are not deductible in determining taxable profit	172,262	8,550
Adjustments in respect of prior years	16,856	(2,935)
Fixed assets differences	-	42,845
Other timing differences	-	9,411
Losses	4,922	-
Gains/rollover relief	1,008,990	-
Tax rate changes	125,175	-
Revaluations	(1,185,605)	-
Taxation charge/(credit) for the period	124,370	(85,375)

10 Taxation (Continued)

In addition to the amount charged/(credited) to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2019	2018
	£	£
Deferred tax arising on:		
Revaluation of property	-	549,131

11 Dividends

	2019	2018
	£	£
Interim paid	-	10,000

12 Intangible fixed assets

	Software
	£
Cost	
At 12 June 2018 and 30 March 2019	7,860
Amortisation and impairment	
At 12 June 2018	3,813
Amortisation charged for the period	1,964
At 30 March 2019	5,777
Carrying amount	
At 30 March 2019	2,083
At 11 June 2018	4,047

13 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 12 June 2018	11,903,777	652,105	629,106	152,944	13,337,932
Additions	1,176,000	115,170	62,833	1,800	1,355,803
Disposals	(8,243,777)	-	-	(8,750)	(8,252,527)
At 30 March 2019	4,836,000	767,275	691,939	145,994	6,441,208
Depreciation and impairment					
At 12 June 2018	-	489,353	356,866	107,536	953,755
Depreciation charged in the period	76,570	39,851	66,565	7,849	190,835
Eliminated in respect of disposals	-	-	-	(7,895)	(7,895)
At 30 March 2019	76,570	529,204	423,431	107,490	1,136,695
Carrying amount					
At 30 March 2019	4,759,430	238,071	268,508	38,504	5,304,513
At 11 June 2018	11,903,777	162,752	272,240	45,408	12,384,177

The freehold properties were revalued by the directors and they do not consider the market value of the freehold properties as at 30 March 2019 to be materially different to the carrying value at the balance sheet date.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2019	2018
	£	£
Cost	2,825,029	4,135,323
Accumulated depreciation	(315,445)	(696,590)
Carrying value	2,509,584	3,438,733

14 Fixed asset investments

	Notes	2019	2018
		£	£
Investments in subsidiaries	15	200	200

14 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 12 June 2018 & 30 March 2019	200
Carrying amount	
At 30 March 2019	200
At 11 June 2018	200

15 Subsidiaries

Details of the company's subsidiaries at 30 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
Regent College Limited	England and Wales	Dormant	Ordinary	100.00	
Richmond Care Homes Limited	England and Wales	Dormant	Ordinary	100.00	

16 Debtors

Amounts falling due within one year:	2019 £	2018 £
Trade debtors	971,261	913,276
Corporation tax recoverable	-	82,440
Amounts owed by group undertakings	3,773,221	-
Other debtors	2,263	1,028,472
Prepayments and accrued income	174,287	311,405
	4,921,032	2,335,593
Deferred tax asset (note 20)	8,800	-
	4,929,832	2,335,593

Included in other debtors is an amount of £nil (2018: £273,777) owed by two of the directors.

17 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Bank loans	18	-	3,641,733
Other borrowings	18	-	220,000
Trade creditors		411,325	388,980
Amounts owed to group undertakings		59,867	59,867
Corporation tax		1,181,667	-
Other taxation and social security		110,366	128,720
Other creditors		168,457	253,300
Accruals and deferred income		1,033,463	1,334,134
		2,965,145	6,026,734

18 Loans and overdrafts

	2019 £	2018 £
Bank loans	-	3,641,733
Other loans	-	220,000
	-	3,861,733
Payable within one year	-	3,861,733

Bank loans are secured by a first legal charge over the company freehold and leasehold properties and a debenture incorporating a fixed and floating charges over all assets of the company.

19 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	20	466,032	1,596,969

20 Deferred taxation

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

Balances:	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
Accelerated capital allowances	200,865	208,914	-	-
Tax losses	265,167	(16,837)	-	-
Revaluations	-	1,414,160	-	-
Short term differences	-	(9,268)	8,800	-
	466,032	1,596,969	8,800	-

Movements in the period:	2019 £
Liability at 12 June 2018	1,596,969
Credit to profit or loss	(1,139,737)
Liability at 30 March 2019	457,232

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period. The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances and tax losses that are expected to mature within the same period.

21 Retirement benefit schemes

Defined contribution schemes	2019 £	2018 £
Charge to profit or loss in respect of defined contribution schemes	70,374	51,229

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.

22 Share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
125 Ordinary B shares of £1 each	125	125
50 Ordinary C shares of £1 each	50	50
25 Ordinary D shares of £1 each	25	25
	200	200

B , C and D ordinary shares have the right to dividends and distributions, rights to exit proceeds and right to vote.

23 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019	2018
	£	£
Within one year	423,379	525,388
Between two and five years	114,671	534,576
In over five years	664	4,138
	538,714	1,064,102

24 Ultimate controlling party

The immediate parent company is Shelton Care Holdings Limited and the ultimate parent company is National Care Group Ltd, both companies are registered in England and Wales and are controlled by the directors.

National Care Group Ltd prepares group financial statements and copies can be obtained from Companies House.

On 31 March 2019, there was a share for share exchange and the ultimate parent company is now National Care Group Holdings Limited.