

Registered number: 04430975

**Blue Mountain Homes Ltd**

Directors' Report and Financial Statements

For the Year Ended 31 March 2022



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## **Blue Mountain Homes Ltd**

### **Company Information**

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<b>Directors</b>	K J R Manaktala P K Manaktala S J R Manaktala
<b>Company secretary</b>	P K Manaktala
<b>Registered number</b>	04430975
<b>Registered office</b>	17 Leeland Mansions Leeland Road West Ealing London W13 9HE
<b>Independent auditors</b>	Dains Audit Limited Statutory Auditor & Chartered Accountants Suite 2, Albion House . 2 Etruria Office Village Forge Lane Stoke on Trent Staffordshire ST1 5RQ

## **Blue Mountain Homes Ltd**

### **Contents**

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	<b>Page</b>
<b>Group Strategic Report</b>	<b>1</b>
<b>Directors' Report</b>	<b>2 - 3</b>
<b>Independent Auditors' Report</b>	<b>4 - 7</b>
<b>Consolidated Statement of Income and Retained Earnings</b>	<b>8</b>
<b>Consolidated Balance Sheet</b>	<b>9</b>
<b>Company Balance Sheet</b>	<b>10</b>
<b>Consolidated Statement of Cash Flows</b>	<b>11 - 12</b>
<b>Consolidated Analysis of Net Debt</b>	<b>13</b>
<b>Notes to the Financial Statements</b>	<b>14 - 33</b>

**Blue Mountain Homes Ltd**

**Group Strategic Report  
For the Year Ended 31 March 2022**

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**Introduction**

The directors are pleased to present their strategic report of the Group for the year ended 31 March 2022.

The consolidated results of the group are also for the same period.

**Business review**

The Group provides residential care for young people with complex needs.

Turnover of the Group for the year was £14,447,575 (2021: £13,231,888) and the Group made a profit before tax of £3,160,624 (2021: £3,679,457).

The Group continues to grow and has acquired a number of other suitable properties which over the coming periods it is anticipated shall be adopted for the provision of residential care.

**Principal risks and uncertainties**

Provision of care of young people with complex needs and the wider associated risks associated in managing these high and complex needs of the residents together with working within the regulatory framework of Ofsted and the placing authorities and meeting the strict guidelines of the safeguarding board remains the main risk.

**Financial key performance indicators**

The Group prepares quarterly management accounts and maintains monthly occupancy statistics to monitor its key financial numbers.

The Group has a weekly strategic review of the development of each young person with the core team to monitor the "key performance" that is directly more relevant to its "care team". The directors are very pleased to report the high level of satisfaction and positive feedback the managers received from the young people and the placement authorities during the year.

**Development and performance**

The Group continues to have a policy of continual training and development in putting the development of the young people and the development of our most valuable resource, being our staff at the centre of our development plans.

This approach has resulted in us having very positive relations with our regulatory authorities who are invited to speak to our wider management team for the sharing of values and visions with a view to further improvements.

The directors take great pride and have immense gratitude towards the dedication of the Group staff who sacrificially care and mentor the young people with complex needs placed with us.

The Group have carried on increasing the internal management in order to continue to manage efficiently

This report was approved by the board and signed on its behalf.



**P. K. Manaktala**  
Director

Date: 14/12/2022

## **Blue Mountain Homes Ltd**

### **Directors' Report For the Year Ended 31 March 2022**

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The directors present their report and the financial statements for the year ended 31 March 2022..

#### **Principal activity**

The principal activity of the Group and Company during the year continued to be that of providing residential care for young people with complex needs.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £2,491,918 (2021 - £2,912,019).

During the year dividends of £Nil (2021: £Nil) have been declared.

#### **Directors**

The directors who served during the year were:

K J R Manaktala  
P K Manaktala  
S J R Manaktala

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Blue Mountain Homes Ltd**

**Directors' Report (continued)  
For the Year Ended 31 March 2022**

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**Engagement with employees**

Throughout the past year we as directors have updated our employees using our Payroll Cloud System. This system gives us the ability to send letters to update staff on matters of concern.

The directors engage employees by visiting the homes. The salient information is then fed back in our monthly management meetings. Any collaborative views or discussion points are raised in these management meetings. The company is rewarding staff, with emphasis on OFSTED performance. Other adhoc schemes are then shared with our staff. For instance when any of our children's homes obtains a Good or an Outstanding in OFSTED they receive a budgeted meal out as a team.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

This report was approved by the board and signed on its behalf.



**P K Manaktala**  
Director

Date: 14/12/2022

## **Blue Mountain Homes Ltd**

### **Independent Auditors' Report to the Members of Blue Mountain Homes Ltd**

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#### **Opinion**

We have audited the financial statements of Blue Mountain Homes Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022, which comprise the Group Statement of Income and Retained Earnings, the Group and Company Balance Sheets, the Group 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 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 Group's and of the parent Company's affairs as at 31 March 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Independent Auditors' Report to the Members of Blue Mountain Homes Ltd (continued)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 set out on page 2, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.



**Independent Auditors' Report to the Members of Blue Mountain Homes Ltd (continued)**

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**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 an Auditors' 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and company through discussions with directors and other management, and from our commercial knowledge and experience of the residential care sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group and company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 to the financial statements were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC, relevant regulators and the group and company's legal advisors; and
- reviewing correspondence with Ofsted, including monitoring reports.

**Blue Mountain Homes Ltd**

**Independent Auditors' Report to the Members of Blue Mountain Homes Ltd (continued)**

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**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 an Auditors' 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.



Simon Hawkins (Senior Statutory Auditor)

for and on behalf of  
**Dains Audit Limited**

Statutory Auditor  
Chartered Accountants

Suite 2, Albion House  
2 Etruria Office Village  
Forge Lane  
Stoke on Trent  
Staffordshire  
ST1 5RQ

Date:

16.12.22

**Blue Mountain Homes Ltd****Consolidated Statement of Income and Retained Earnings  
For the Year Ended 31 March 2022**

	Note	2022 £	2021 £
Turnover	4	14,447,575	13,231,888
Cost of sales		(8,662,936)	(7,560,237)
<b>Gross profit</b>		<b>5,784,639</b>	<b>5,671,651</b>
Administrative expenses		(2,463,433)	(1,874,666)
Other operating income	5	-	33,340
<b>Operating profit</b>	6	<b>3,321,206</b>	<b>3,830,325</b>
Income from associated undertakings		10,334	-
Interest receivable and similar income	10	517	1,357
Interest payable and expenses	11	(171,433)	(152,225)
<b>Profit before tax</b>		<b>3,160,624</b>	<b>3,679,457</b>
Tax on profit	12	(668,706)	(767,438)
<b>Profit after tax</b>		<b>2,491,918</b>	<b>2,912,019</b>
Retained earnings at the beginning of the year		8,650,759	5,738,740
		8,650,759	5,738,740
Profit for the year attributable to the owners of the parent		2,491,918	2,912,019
<b>Retained earnings at the end of the year</b>		<b>11,142,677</b>	<b>8,650,759</b>

The notes on pages 14 to 33 form part of these financial statements.

**Blue Mountain Homes Ltd**  
**Registered number:04430975**

**Consolidated Balance Sheet**  
**As at 31 March 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	9,096,486	8,146,189
Investment property	15	1,114,556	1,114,556
		<u>10,211,042</u>	<u>9,260,745</u>
<b>Current assets</b>			
Debtors	16	2,034,725	1,532,496
Cash at bank and in hand		5,958,101	4,354,792
		<u>7,992,826</u>	<u>5,887,288</u>
Creditors: amounts falling due within one year	17	(1,643,338)	(2,104,094)
<b>Net current assets</b>		<u>6,349,488</u>	<u>3,783,194</u>
<b>Total assets less current liabilities</b>		<u>16,560,530</u>	<u>13,043,939</u>
Creditors: amounts falling due after more than one year	18	(5,331,736)	(4,307,063)
<b>Provisions for liabilities</b>			
Deferred taxation	21	(76,117)	(76,117)
		<u>(76,117)</u>	<u>(76,117)</u>
<b>Net assets</b>		<u>11,152,677</u>	<u>8,660,759</u>
<b>Capital and reserves</b>			
Called up share capital	22	10,000	10,000
Profit and loss account	23	11,142,677	8,650,759
		<u>11,152,677</u>	<u>8,660,759</u>

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

P K Manaktala  
Director

*P.K. Manaktala*

Date:

*14/12/2022*

The notes on pages 14 to 33 form part of these financial statements.

**Blue Mountain Homes Ltd**  
**Registered number:04430975**

**Company Balance Sheet**  
**As at 31 March 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	6,861,507	6,590,315
Investments	14	1,639,856	1,460,796
		<u>8,501,363</u>	<u>8,051,111</u>
<b>Current assets</b>			
Debtors	16	1,748,496	1,332,193
Cash at bank and in hand		5,268,012	4,005,489
		<u>7,016,508</u>	<u>5,337,682</u>
Creditors: amounts falling due within one year	17	(1,354,907)	(1,906,005)
<b>Net current assets</b>		<u>5,661,601</u>	<u>3,431,677</u>
<b>Total assets less current liabilities</b>		<u>14,162,964</u>	<u>11,482,788</u>
Creditors: amounts falling due after more than one year	18	(3,749,966)	(3,225,826)
<b>Provisions for liabilities</b>			
Deferred taxation	21	(76,117)	(76,117)
		<u>(76,117)</u>	<u>(76,117)</u>
<b>Net assets</b>		<u>10,336,881</u>	<u>8,180,845</u>
<b>Capital and reserves</b>			
Called up share capital	22	10,000	10,000
Profit and loss account brought forward		8,170,845	5,507,625
Profit for the year		2,156,036	2,663,220
Profit and loss account carried forward		<u>10,326,881</u>	<u>8,170,845</u>
		<u>10,336,881</u>	<u>8,180,845</u>

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

P K Manaktala  
Director

*P.K. Manaktala*

Date: 14/12/2022

The notes on pages 14 to 33 form part of these financial statements.

**Blue Mountain Homes Ltd****Consolidated Statement of Cash Flows  
For the Year Ended 31 March 2022**

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	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	2,491,918	2,912,019
<b>Adjustments for:</b>		
Depreciation of tangible assets	687,050	667,587
Loss on disposal of tangible assets	85,435	23,335
Interest paid	171,433	152,225
Interest received	-	(1,357)
Taxation charge	668,706	767,438
(Increase) in debtors	(502,229)	(167,859)
Increase/(decrease) in creditors	25,244	(37,092)
Corporation tax (paid)	(727,282)	(454,815)
<b>Net cash generated from operating activities</b>	<b>2,900,275</b>	<b>3,861,481</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(1,981,522)	(1,393,771)
Sale of tangible fixed assets	258,740	-
Interest received	-	1,357
<b>Net cash from investing activities</b>	<b>(1,722,782)</b>	<b>(1,392,414)</b>

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**Blue Mountain Homes Ltd**

**Consolidated Statement of Cash Flows (continued)  
For the Year Ended 31 March 2022**

	2022 £	2021 £
<b>Cash flows from financing activities</b>		
New secured loans	1,584,114	431,000
Repayment of loans	(1,131,865)	(421,224)
Movement in directors loan accounts	145,000	(199,109)
Interest paid	(171,433)	(152,225)
<b>Net cash used in financing activities</b>	<b>425,816</b>	<b>(341,558)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,603,309</b>	<b>2,127,509</b>
Cash and cash equivalents at beginning of year	4,354,792	2,227,283
<b>Cash and cash equivalents at the end of year</b>	<b>5,958,101</b>	<b>4,354,792</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	5,958,101	4,354,792
	<b>5,958,101</b>	<b>4,354,792</b>

The notes on pages 14 to 33 form part of these financial statements.

**Blue Mountain Homes Ltd**

**Consolidated Analysis of Net Debt  
For the Year Ended 31 March 2022**

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	At 1 April 2021 £	Cash flows £	Other non- cash changes £	At 31 March 2022 £
Cash at bank and in hand	4,354,792	1,603,309	-	5,958,101
Debt due after 1 year	(4,307,063)	-	(645,176)	(4,952,239)
Debt due within 1 year	(1,110,806)	(425,816)	853,240	(683,382)
	<u>(1,063,077)</u>	<u>1,177,493</u>	<u>208,064</u>	<u>322,480</u>

The notes on pages 14 to 33 form part of these financial statements.



## **Blue Mountain Homes Ltd**

### **Notes to the Financial Statements For the Year Ended 31 March 2022**

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#### **1. General information**

Blue Mountain Homes Ltd. is a private company, limited by shares and incorporated in England and Wales. Its registered office is 17 Leeland Mansions, Leeland Road, West Ealing, London, W13 9HE.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Income and Retained Earnings in these financial statements.

The following principal accounting policies have been applied:

##### **2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Income and Retained Earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

##### **2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- ~~the stage of completion of the contract at the end of the reporting period can be measured reliably;~~ and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2. Accounting policies (continued)**

**2.4 Operating leases: the Group as lessor**

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

**2.5 Operating leases: the Group as a lessee**

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

**2.6 Government grants**

Grants of a revenue nature are recognised in the Consolidated Statement of Income and Retained Earnings in the same period as the related expenditure.

Grants of a revenue nature are recognised in the Consolidated Statement of Income and Retained Earnings in the same period as the related expenditure.

**2.7 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.8 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.9 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.10 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

**2. Accounting policies (continued)**

**2.11 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.12 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Notes to the Financial Statements  
For the Year Ended 31 March 2022

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**2. Accounting policies (continued)**

**2.12 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Premises costs	- 4% reducing balance basis
Equipment, fixtures and fittings	- 15 - 20% reducing balance basis
Motor vehicles	- 20% reducing balance basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.13 Impairment of fixed assets**

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is such an indication, the carrying value of the asset (or cash-generating unit (CGU) to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**2.14 Investment property**

Investment property is carried at fair value determined annually by directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Income and Retained Earnings.

**2.15 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.16 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2. Accounting policies (continued)**

**2.17 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.18 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.19 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**2.20 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Income and Retained Earnings

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

## Blue Mountain Homes Ltd

### Notes to the Financial Statements For the Year Ended 31 March 2022

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#### 2. Accounting policies (continued)

##### 2.20 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision only affects that period, or in the period of revision or future periods if the revision affects current and future periods.

There are currently no estimates or assumptions that require disclosure in the financial statements.

#### 4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Residential care of young people	14,447,575	13,231,888
	<u>14,447,575</u>	<u>13,231,888</u>

All turnover arose within the United Kingdom.

#### 5. Other operating income

	2022 £	2021 £
Government grants receivable	-	23,340
Other operating income	-	10,000
	<u>-</u>	<u>33,340</u>

Government grants receivable relates to claims made under the UK government's Coronavirus Job Retention Scheme.

**Blue Mountain Homes Ltd**

**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

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**6. Operating profit**

The operating profit is stated after charging:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Depreciation on tangible fixed assets	<b>687,050</b>	667,587
Government grants	-	23,340
Other operating lease rentals	<b>23,800</b>	23,335
Employers pension contributions	<b>131,121</b>	106,342
	<b><u>841,971</u></b>	<b><u>820,564</u></b>

**7. Auditors' remuneration**

During the year, the Group obtained the following services from the Company's auditors:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	<b>11,500</b>	11,000

**Fees payable to the Group's auditor and its associates in respect of:**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other services relating to taxation	<b>7,600</b>	2,000
All other services	-	1,700
	<b><u>7,600</u></b>	<b><u>3,700</u></b>

**Blue Mountain Homes Ltd**

**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Wages and salaries	7,129,164	6,087,061	6,762,525	5,833,616
Social security costs	607,646	545,020	607,646	521,598
Cost of defined contribution scheme	131,121	106,342	123,692	101,232
	<b>7,867,931</b>	<b>6,738,423</b>	<b>7,493,863</b>	<b>6,456,446</b>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>Group 2022 No.</b>	<b>Group 2021 No.</b>	<b>Company 2022 No.</b>	<b>Company 2021 No.</b>
Administration and support staff	17	12	17	12
Maintenance staff	13	11	13	11
Care and support staff	247	230	234	220
	<b>277</b>	<b>253</b>	<b>264</b>	<b>243</b>

**9. Directors' and key management remuneration**

	<b>2022 £</b>	<b>2021 £</b>
Directors' emoluments	357,000	101,333
Company contributions to defined contribution pension schemes	110	-
	<b>357,110</b>	<b>101,333</b>

During the year retirement benefits were accruing to 1 director (2021 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £144,500 (2021 - £59,333).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2021 - £NIL).



**Blue Mountain Homes Ltd****Notes to the Financial Statements  
For the Year Ended 31 March 2022****10. Interest receivable**

	2022 £	2021 £
Other interest receivable	517	1,357
	<u>517</u>	<u>1,357</u>

**11. Interest payable and similar expenses**

	2022 £	2021 £
Bank interest payable	171,433	152,225
	<u>171,433</u>	<u>152,225</u>

**12. Taxation**

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	668,706	727,300
	<u>668,706</u>	<u>727,300</u>
<b>Total current tax</b>	<u>668,706</u>	<u>727,300</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	40,138
<b>Total deferred tax</b>	<u>-</u>	<u>40,138</u>
<b>Taxation on profit on ordinary activities</b>	<u>668,706</u>	<u>767,438</u>

## Blue Mountain Homes Ltd

### Notes to the Financial Statements For the Year Ended 31 March 2022

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#### 12. Taxation (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>3,160,624</u>	<u>3,679,457</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	600,504	699,097
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	15,907	29,490
Unrelieved tax losses carried forward	6,525	6,858
Other differences leading to an increase in the tax charge	-	127
Deferred taxation not previously recognised	45,770	31,866
<b>Total tax charge for the year</b>	<u><b>668,706</b></u>	<u><b>767,438</b></u>

##### Factors that may affect future tax charges

In the spring budget 2021, the government announced that from 1 April 2023 the corporation tax rate will increase from 19% to 25%.

**Blue Mountain Homes Ltd**

**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

**13. Tangible fixed assets**

**Group**

	Premises costs £	Equipment, fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 April 2021	7,795,470	2,903,145	436,019	11,134,634
Additions	1,653,160	207,025	121,337	1,981,522
Disposals	(325,627)	(69,108)	(17,400)	(412,135)
At 31 March 2022	9,123,003	3,041,062	539,956	12,704,021
<b>Depreciation</b>				
At 1 April 2021	1,224,456	1,561,364	202,625	2,988,445
Charge for the year on owned assets	317,194	301,931	67,925	687,050
Disposals	(31,377)	(29,954)	(6,629)	(67,960)
At 31 March 2022	1,510,273	1,833,341	263,921	3,607,535
<b>Net book value</b>				
At 31 March 2022	7,612,730	1,207,721	276,035	9,096,486
At 31 March 2021	6,571,014	1,341,781	233,394	8,146,189

**Blue Mountain Homes Ltd**

**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

**13. Tangible fixed assets (continued)**

**Company**

	Premises costs £	Equipment, fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 April 2021	6,314,773	2,562,175	424,119	9,301,067
Additions	857,266	192,958	121,337	1,171,561
Disposals	(325,627)	(69,108)	(17,400)	(412,135)
At 31 March 2022	6,846,412	2,686,025	528,056	10,060,493
<b>Depreciation</b>				
At 1 April 2021	1,087,312	1,425,575	197,865	2,710,752
Charge for the year on owned assets	231,616	258,081	66,497	556,194
Disposals	(31,377)	(29,954)	(6,629)	(67,960)
At 31 March 2022	1,287,551	1,653,702	257,733	3,198,986
<b>Net book value</b>				
At 31 March 2022	5,558,861	1,032,323	270,323	6,861,507
At 31 March 2021	5,227,461	1,136,600	226,254	6,590,315

**Blue Mountain Homes Ltd**

**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

**14. Fixed asset investments**

**Company**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2021	1,460,796
Additions	179,060
At 31 March 2022	<u>1,639,856</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Blue Mountain Properties Limited	Property rental	Ordinary	100%
Axiom Supported Living Limited	Residential support for young people	Ordinary	100%
Blue Mountain Properties Southern Limited	Property rental	Ordinary	100%
Blue Mountain Education Company Limited	Dormant	Ordinary	100%
Aquila Therapeutic Centre Limited	Dormant	Ordinary	100%
Blue Mountain Adventures Limited	Dormant	Ordinary	100%

Notes to the Financial Statements  
For the Year Ended 31 March 2022

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14. Fixed asset investments (continued)

Subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31 March 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Blue Mountain Properties Limited *	830,646	(107,382)
Axiom Supported Living Limited **	1,052,169	503,134
Blue Mountain Properties Southern Limited ***	573,672	(881)
Blue Mountain Education Company Limited	1	-
Aquila Therapeutic Centre Limited	100	-
Blue Mountain Adventures Limited	1	-

\* Blue Mountain Properties Limited (07067391) is exempt from audit by virtue of Section 479A of the Companies Act 2006.

\*\* Axiom Support Living Limited (11186227) is exempt from audit by virtue of Section 479A of the Companies Act 2006.

\*\*\* Blue Mountain Properties Southern Limited (12159305) is exempt from audit by virtue of Section 479A of the Companies Act 2006.

**Blue Mountain Homes Ltd**

**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

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**15. Investment property**

**Group**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 April 2021	1,114,556
<b>At 31 March 2022</b>	<b>1,114,556</b>

The fair value of the property has been arrived at on the basis of a valuation carried out by Mr P Manaktala, a director of the company who is not a qualified valuer. The valuation was arrived at by reference to market evidence of transactions for similar properties in its location.

**Company**

The company does not have any investment properties

**16. Debtors**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Trade debtors	2,034,521	1,360,844	1,742,986	1,262,017
Amounts owed by group undertakings	-	-	5,510	5,510
Other debtors	204	171,652	-	64,666
	<b>2,034,725</b>	<b>1,532,496</b>	<b>1,748,496</b>	<b>1,332,193</b>

**Blue Mountain Homes Ltd**

**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

**17. Creditors: Amounts falling due within one year**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Bank loans	664,108	1,091,532	498,736	979,372
Amounts owed to group undertakings	-	-	2,801	1
Corporation tax	668,706	727,282	558,724	656,163
Other creditors	310,524	285,280	294,646	270,469
	<b>1,643,338</b>	<b>2,104,094</b>	<b>1,354,907</b>	<b>1,906,005</b>

The Group has a number of bank loans which are repayable by monthly instalments across periods ranging from 60 to 180 months. Interest is charged on these loans at rates ranging between 2.41% and 2.97% above the Bank of England base rate.

The bank loans are secured by a fixed legal charge over the properties of the Group.

**18. Creditors: Amounts falling due after more than one year**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Bank loans	4,952,239	4,072,566	3,370,469	2,991,329
Other creditors	379,497	234,497	379,497	234,497
	<b>5,331,736</b>	<b>4,307,063</b>	<b>3,749,966</b>	<b>3,225,826</b>

The Group has a number of bank loans which are repayable by monthly instalments across periods ranging from 60 to 180 months. Interest is charged on these loans at rates ranging between 2.41% and 2.97% above the Bank of England base rate.

The bank loans are secured by a fixed legal charge over the properties of the Group.



**Blue Mountain Homes Ltd**

**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

**19. Loans**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
<b>Amounts falling due within one year</b>				
Bank loans	664,108	1,091,532	498,736	979,372
<b>Amounts falling due 1-2 years</b>				
Bank loans	4,428,488	3,681,155	3,329,041	2,734,813
<b>Amounts falling due after more than 5 years</b>				
Bank loans	523,752	391,411	41,428	256,516
	<b>5,616,348</b>	<b>5,164,098</b>	<b>3,869,205</b>	<b>3,970,701</b>

**20. Financial instruments**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	2,087,752	1,532,496	1,763,514	1,332,193
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(6,306,369)	(5,683,875)	(4,543,348)	(4,475,668)

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and amounts due from related parties.

Financial liabilities measured at amortised cost comprise bank loans and other creditors.

**Blue Mountain Homes Ltd**

**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

**21. Deferred taxation**

**Group**

	2022 £	2021 £
At beginning of year	(76,117)	(35,979)
(Charged) / Credited to profit or loss	-	(40,138)
<b>At end of year</b>	<b>(76,117)</b>	<b>(76,117)</b>

**Company**

	2022 £	2021 £
At beginning of year	(76,117)	(35,979)
(Charged) / Credited to profit or loss	-	(40,138)
<b>At end of year</b>	<b>(76,117)</b>	<b>(76,117)</b>

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Accelerated capital allowances	(76,117)	(76,117)	(76,117)	(76,117)
	<b>(76,117)</b>	<b>(76,117)</b>	<b>(76,117)</b>	<b>(76,117)</b>

**22. Share capital**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
10,000 (2021 - 10,000) Ordinary shares of £1.00 each	<b>10,000</b>	<b>10,000</b>

The ordinary shares have full rights in the company with respect to voting, dividends and capital distribution.

## Blue Mountain Homes Ltd

### Notes to the Financial Statements For the Year Ended 31 March 2022

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#### 23. Reserves

##### Profit and loss account

The profit and loss reserve represents cumulative profit or losses, net of dividends paid and other adjustments.

#### 24. Capital commitments

At 31 March 2022 the Group and Company had capital commitments as follows:

	<b>Group 2022 £</b>	<b>Group 2021 £</b>
Contracted for but not provided	-	763,400
	<u>-</u>	<u>763,400</u>

##### Company

The company does not have any capital commitments.

#### 25. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund amounted to £131,121 (2021: £106,342). There were contributions totalling £Nil (2021: £Nil) payable at the year end.

#### 26. Commitments under operating leases

##### The Group and Company as a lessee

The Group and the Company had no commitments under non-cancellable operating leases as a lessee at the balance sheet date.

##### The Group and Company as a lessor

At 31 March 2022 the Group had future minimum lease payments due as a lessor under non-cancellable operating leases for each of the following periods:

	<b>Group 2022 £</b>	<b>Group 2021 £</b>
Not later than 1 year	<u>23,800</u>	<u>23,800</u>
	<u>23,800</u>	<u>23,800</u>

The Company does not have any operating lease commitments.

**Blue Mountain Homes Ltd**

**Notes to the Financial Statements  
For the Year Ended 31 March 2022**

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**27. Directors' personal guarantees**

A director has provided a personal guarantee, limited to £35,000, for the loans within the Group.

**28. Related party transactions**

The Group has taken advantage of the exemption provided in Financial Reporting Standard 102, Section 33 'Related Party Disclosures'. Disclosures need not be given of transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member.

As at the 31 March 2022, the Group is owed £nil (2021: £64,666) from E.C. Products Limited, a company which is connected due to P Manaktala being a director and shareholder in both. During the year, the company received £75,000 (2021: £67,500) from E.C. Products Limited and charged interest of £10,334 (2021: £nil) to E.C. Products Limited.

As at the 31 March 2022, the Group owes £250,000 (2021: £250,000) to Manaktala & Co Limited, a company which is connected due to P Manaktala being a director and shareholder in both. During the year, the company received £Nil (2021: £Nil) from Manaktala & Co Limited.

The above loans are interest free and repayable on demand.

**29. Controlling party**

P K Manaktala, a director, together with members of his close family control the company by virtue of a controlling interest (directly or indirectly) of 100% of the issued share capital.