

**PREPARED FOR THE REGISTRAR  
MELROSE CARE LIMITED  
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**Melrose Care Limited**

**Contents**

Company Information	<u>1</u>
Balance Sheet	<u>2</u>
Notes to the Unaudited Financial Statements	<u>3 to 8</u>

## **Melrose Care Limited**

### **Company Information**

<b>Directors</b>	A A Chaudhary U Chaudhary
<b>Registered office</b>	Windsor House Bayshill Road Cheltenham GL50 3AT
<b>Accountants</b>	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

**Melrose Care Limited**

(Registration number: 05318363)  
**Balance Sheet as at 31 March 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	<u>4</u>	20,622	30,935
Tangible assets	<u>5</u>	1,830,355	1,731,177
Other financial assets		<u>11,300</u>	<u>6,300</u>
		<u>1,862,277</u>	<u>1,768,412</u>
<b>Current assets</b>			
Stocks		2,200	2,000
Debtors	<u>6</u>	637,233	633,519
Cash at bank and in hand		<u>527,026</u>	<u>232,248</u>
		1,166,459	867,767
<b>Creditors:</b> Amounts falling due within one year	<u>7</u>	<u>(1,007,312)</u>	<u>(962,082)</u>
<b>Net current assets/(liabilities)</b>		<u>159,147</u>	<u>(94,315)</u>
<b>Total assets less current liabilities</b>		2,021,424	1,674,097
<b>Creditors:</b> Amounts falling due after more than one year	<u>7</u>	<u>(79,919)</u>	<u>-</u>
<b>Net assets</b>		<u>1,941,505</u>	<u>1,674,097</u>
<b>Capital and reserves</b>			
Called up share capital		114	114
Share premium reserve		64,986	64,986
Profit and loss account		<u>1,876,405</u>	<u>1,608,997</u>
Shareholders' funds		<u>1,941,505</u>	<u>1,674,097</u>

For the financial year ending 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 8 December 2023 and signed on its behalf by:

A A Chaudhary  
 Director

The notes on pages 3 to 8 form an integral part of these financial statements.

## **Melrose Care Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:  
Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

##### **Judgements and estimation uncertainty**

These financial statements do not contain any significant judgements or estimation uncertainty.

##### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company. The company recognises revenue when: the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

##### **Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

##### **Tax**

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

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

## Melrose Care Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023

#### Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold buildings	2% on cost
Plant and machinery	25% on cost
Fixtures, fittings and equipment	15% on cost
Computer equipment	25% on cost
Freehold land	Nil

#### Goodwill

Goodwill is amortised over its useful life, which is considered to be twenty years.

#### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

#### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

#### Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

**Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

**Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

**Financial instruments**

***Classification***

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.



Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023

**Financial instruments (continued)**

***Impairment***

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**3 Staff numbers**

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

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Average number of employees	<u>52</u>	<u>50</u>

# Melrose Care Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023

### 4 Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 April 2022 and at 31 March 2023	206,250
<b>Amortisation</b>	
At 1 April 2022	175,315
Amortisation charge	10,313
At 31 March 2023	185,628
<b>Carrying amount</b>	
At 31 March 2023	20,622
At 31 March 2022	30,935

### 5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2022	1,864,088	336,797	-	2,200,885
Additions	-	12,406	123,632	136,038
At 31 March 2023	1,864,088	349,203	123,632	2,336,923
<b>Depreciation</b>				
At 1 April 2022	139,788	329,920	-	469,708
Charge for the year	5,435	3,093	28,332	36,860
At 31 March 2023	145,223	333,013	28,332	506,568
<b>Carrying amount</b>				
At 31 March 2023	1,718,865	16,190	95,300	1,830,355
At 31 March 2022	1,724,300	6,877	-	1,731,177

### 6 Debtors

	2023 £	2022 £
Trade debtors	52,497	36,181
Amounts owed by related parties	569,732	569,732
Other debtors	13,226	25,912
Prepayments	1,778	1,694
	637,233	633,519

Amounts owed by related parties are considered to be due after<sup>7</sup> more than one year.

## Melrose Care Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023

#### 7 Creditors

	Note	2023 £	2022 £
<b>Due within one year</b>			
Loans and borrowings	8	76,821	63,894
Trade creditors		33,588	18,102
Amounts owed to group undertakings		720,931	717,800
Social security and other taxes		14,470	15,329
Outstanding defined contribution pension costs		3,784	3,533
Other creditors		113,414	68,085
Accrued expenses		3,300	3,300
Corporation tax liability		41,004	72,039
		<u>1,007,312</u>	<u>962,082</u>
<b>Due after one year</b>			
Loans and borrowings	8	<u>79,919</u>	<u>-</u>

#### 8 Loans and borrowings

	2023 £	2022 £
<b>Current loans and borrowings</b>		
HP and finance lease liabilities	12,372	-
Director's loan account	<u>64,449</u>	<u>63,894</u>
	<u>76,821</u>	<u>63,894</u>

	2023 £	2022 £
<b>Non-current loans and borrowings</b>		
HP and finance lease liabilities	<u>79,919</u>	<u>-</u>

#### 9 Parent and ultimate parent undertaking

The company's immediate and ultimate parent is Smart Care Homes Limited, incorporated in England and Wales.

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