

GLENHOLME HEALTHCARE (NGC) LIMITED

FINANCIAL STATEMENTS

31 MARCH 2019

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COMPANIES HOUSE

Glenholme
Group

GLENHOLME HEALTHCARE (NGC) LIMITED

FINANCIAL STATEMENTS

YEAR TO 31 MARCH 2019

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GLENHOLME HEALTHCARE (NGC) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

K W Phippen
D M Serratt
G P Macalister
S J McLaughlan

COMPANY SECRETARY

S A Hurrell

REGISTERED OFFICE

79 High Street
Eton
Windsor
Berkshire
United Kingdom
SL4 6AF

AUDITOR

Menzies LLP
Chartered Accountants
Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

GLENHOLME HEALTHCARE (NGC) LIMITED

STRATEGIC REPORT

YEAR ENDED 31 MARCH 2019

The directors have pleasure in presenting their strategic review for the year to 31 March 2019.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the provision of care to patients with mental health, learning and physical disabilities. The company operates 5 homes, 2 in Byfleet and 3 in Brighton. An additional 6 bed supported living unit opened in Brighton in July 2019 and further 6 bed unit is to be opened in January 2020.

The company refinanced the original two homes in Brighton in the year, with a 20 year facility with Triodos Bank.

The company continues to look for new opportunities in its principal activity in the geographical area it currently operates in.

KEY PERFORMANCE INDICATORS

The company monitors its performance against strategic objectives by means of key performance indicators. The main KPIs it uses are orientated around gross profit margin and turnover. These are summarised thus:

	2019	2018
	£	£
Turnover	2,154,405	1,267,711
Gross profit %	33%	22%
Operating profit	373,295	190,524
Number of employees	42	31
Net assets	1,394,255	382,990
Residential beds (closing)	16	16
Supported living rooms	6	-
Occupancy (average)	18	11

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties that are facing the company are common for a company of this size. These are:

- (a) Maintaining and improving quality, and customer satisfaction
- (b) Maintaining and improving quality standards with the Care Commission
- (c) Maintaining working capital during periods of growth
- (d) The inherent risk attached to the acquisition of new companies and businesses
- (e) Retention and recruitment of staff with appropriate skills

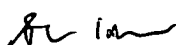
The company has successfully controlled and managed these risks by:

- (a) Internal quality audits
- (b) Staff training and development program
- (c) Staff exit interviews
- (d) Regular cash flow forecasts and cash collection
- (e) Board level due diligence teams for acquisitions
- (f) Maintaining profitability
- (g) Monitoring occupancy levels

FUTURE DEVELOPMENTS

The company expects to improve its financial performance by a policy of controlled growth.

Approved by the directors on 29 October 2019 and signed on their behalf by:



S A Hurrell
Company Secretary

GLENHOLME HEALTHCARE (NGC) LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements of the company for the year ended 31 March 2019.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of care to patients with mental health, learning and physical disabilities.

DIRECTORS

The directors who served the company during the year were as follows:

K W Phippen
D M Serratt
G P Macalister
S J McLaughlan

GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing the Directors 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 year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him 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.

GLENHOLME HEALTHCARE (NGC) LIMITED

DIRECTORS' REPORT *continued*

YEAR ENDED 31 MARCH 2019

STRATEGIC REPORT

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's Strategic Report the Company's Strategic Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

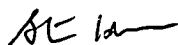
AUDITOR

Menzies LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

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

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

Approved by the directors on 29 October 2019 and signed on their behalf by:



S A Hurrell
Company Secretary

Registered office:
79 High Street
Eton
Windsor
Berkshire
SL4 6AF

GLENHOLME HEALTHCARE (NGC) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GLENHOLME HEALTHCARE (NGC) LIMITED

YEAR ENDED 31 MARCH 2019

Opinion

We have audited the financial statements of Glenholme Healthcare (NGC) Limited for the year ended 31 March 2019 which comprise Statement of Comprehensive Income, Statement of Financial Position, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. (United Kingdom Generally Accepted Accounting Practice),

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its 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 of 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.

Other information

The directors are responsible for the other information. The other 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

GLENHOLME HEALTHCARE (NGC) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GLENHOLME HEALTHCARE (NGC) LIMITED YEAR ENDED 31 MARCH 2019

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or 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 set out on page 3, 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: 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Menzies LLP

ANDREW HOOKWAY FCA (Senior Statutory Auditor)
For and on behalf of MENZIES LLP
Chartered Accountants & Statutory Auditor
Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

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October 2019

Glenholme
Group

GLENHOLME HEALTHCARE (NGC) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
TURNOVER		2,154,405	1,267,711
Cost of sales		(1,434,789)	(986,585)
GROSS PROFIT		719,616	281,126
Administrative expenses		(346,321)	(90,602)
OPERATING PROFIT	3	373,295	190,524
Interest payable and similar charges	5	(64,659)	(55,215)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		308,636	135,309
Tax on profit on ordinary activities	6	(64,828)	(32,757)
PROFIT FOR THE FINANCIAL YEAR		243,808	102,552
Revaluation of tangible assets		767,457	82,069
OTHER COMPREHENSIVE INCOME		767,457	82,069
TOTAL COMPREHENSIVE INCOME		1,011,265	184,621

Turnover arose from the principal activity.

All the activities of the company are from continuing operations.

The notes on pages 10 to 16 form part of these financial statements.

GLENHOLME HEALTHCARE (NGC) LIMITED

STATEMENT OF FINANCIAL POSITION

31 MARCH 2019

	Notes	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	7		5,153,647		3,454,980
Stock	8	975		475	
Debtors	9	155,163		104,434	
Cash at bank		63,454		20,211	
			<u>219,592</u>	<u>125,120</u>	
CREDITORS: Amounts falling due within one year	10	(2,080,246)		(1,282,177)	
			<u>(1,860,654)</u>		<u>(1,157,057)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,292,993		2,297,923
CREDITORS: Amounts falling due after more than one year	11		(1,819,567)		(1,909,905)
Deferred taxation	12		(79,171)		(5,028)
NET ASSETS			<u>1,394,255</u>		<u>382,990</u>
CAPITAL AND RESERVES					
Called-up equity share capital	13		2,450		2,450
Revaluation reserve	14		889,677		122,220
Profit and loss account	15		502,128		258,320
SHAREHOLDERS' FUNDS			<u>1,394,255</u>		<u>382,990</u>

These accounts were approved by the directors and authorised for issue on 29th October 2019, and are signed on their behalf by:



S J McLaughlan

Company Registration Number: 05757165

The notes on pages 10 to 16 form part of these financial statements.

GLENHOLME HEALTHCARE (NGC) LIMITED

STATEMENT OF CHANGES IN EQUITY

31 MARCH 2019

	Called up share capital £	Revaluation Reserve £	Profit and Loss account £	Total £
At 1 April 2017	2,450	40,151	155,768	198,369
Profit for the financial year	-	-	102,552	102,552
Revaluation	-	82,069	-	82,069
At 31 March 2018	2,450	122,220	258,320	382,990
Profit for the financial year	-	-	243,808	243,808
Revaluation	-	767,457	-	767,457
At 31 March 2019	2,450	889,677	502,128	1,394,255

The notes on pages 10 to 16 form part of these financial statements.

GLENHOLME HEALTHCARE (NGC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

1. STATEMENT OF COMPLIANCE AND COMPANY INFORMATION

These financial statements have been prepared in compliance with FRS102. 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

Glenholme Healthcare (NGC) Limited is a private company, limited by shares and it is incorporated in England under the Companies Act 2006. The address of its registered office and principal place of business are disclosed on page 1.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of properties measured at fair value through profit or loss.

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

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Glenholme Healthcare Group Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

There are no significant judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. There are no key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Revenue recognition

Turnover is measured as the fair value of the consideration received or receivable for care provided, rents receivable and goods supplied, net of discounts and Value Added Tax where applicable.

Current and deferred taxation

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

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

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference

GLENHOLME HEALTHCARE (NGC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

2 ACCOUNTING POLICIES (continued)

Tangible assets

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

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

Depreciation

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

Freehold Property	Over 50 years
Plant and machinery	3 years to 5 years on cost
Fixtures and fittings	3 years to 5 years on cost

Stocks

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

Investment properties

Investment properties are initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment properties are revalued to their fair value at each reporting date and any changes in fair value are recognised in profit or loss.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

GLENHOLME HEALTHCARE (NGC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

3 OPERATING PROFIT

Operating profit is stated after charging:

	2019 £	2018 £
Directors' remuneration	-	-
Depreciation of owned fixed assets	67,259	50,438
Auditor's fees	<u>4,600</u>	<u>5,020</u>

4 STAFF COSTS

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

	2019 No	2018 No
Care staff	<u>42</u>	<u>31</u>

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

	2019 £	2018 £
Wages and salaries	767,053	579,333
Social security costs	56,221	46,342
Pension – cost of defined contribution scheme	14,268	3,725
	<u>837,542</u>	<u>629,400</u>

No director who is not also a holding company director received any remuneration.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £	2018 £
Bank loan interest	<u>64,659</u>	<u>55,215</u>

GLENHOLME HEALTHCARE (NGC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

Major components of tax expense

	2019 £	2018 £
Current tax		
UK current tax expense	62,361	35,292
Deferred tax		
Origination and reversal of timing differences	2,467	(2,535)
	<u>64,828</u>	<u>32,757</u>

Reconciliation of tax expense

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

	£	£
Profit on ordinary activities before taxation	<u>308,636</u>	<u>135,309</u>
Profit on ordinary activities at a rate of tax of 19% (2018: 19%)	58,641	25,709
Effect of expenses not deductible for tax purposes	6	-
Effect of depreciation on assets not eligible for allowances	6,181	7,048
	<u>64,828</u>	<u>32,757</u>

GLENHOLME HEALTHCARE (NGC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

7. TANGIBLE FIXED ASSETS

	Freehold Properties £	Investment Property £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
COST OR VALUATION					
At 1 April 2018	2,425,294	1,019,094	71,201	54,800	3,570,389
Additions	17,926	837,502	50,865	20,500	926,793
Disposals	-	-	(11,296)	-	(11,296)
Revaluation	756,780	-	-	-	756,780
At 31 Mar 2019	3,200,000	1,856,596	110,770	75,300	5,242,666
DEPRECIATION					
At 1 April 2018	49,270	-	28,590	37,549	115,409
Charge for the year	33,083	-	25,710	8,466	67,259
Disposal	-	-	(11,296)	-	(11,296)
Revaluation	(82,353)	-	-	-	(82,353)
At 31 Mar 2019	-	-	43,004	46,015	89,019
NET BOOK VALUE					
At 31 Mar 2019	3,200,000	1,856,596	67,766	29,285	5,153,647
At 31 Mar 2018	2,376,024	1,019,094	42,611	17,251	3,454,980

The freehold and investment properties were valued by Eddisons Taylor, Chartered Surveyors on 5th December 2018 on an existing use open market basis.

In respect of freehold properties stated at valuations, the comparable historical cost and depreciation values are as follows:

	2019 £	2018 £
Historical cost	2,356,837	2,326,706
Depreciation	(105,985)	(72,902)
	<u>2,250,852</u>	<u>2,253,804</u>
Depreciation charge in the year	<u>33,683</u>	<u>32,415</u>

8. STOCK

	2019 £	2018 £
Stock in hand	<u>975</u>	<u>475</u>

GLENHOLME HEALTHCARE (NGC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

9. DEBTORS

	2019 £	2018 £
Trade debtors	48,423	74,532
Accrued income	79,992	-
Prepayments	26,748	29,902
	<u>155,163</u>	<u>104,434</u>

10. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	95,206	100,438
Amounts due to parent company	1,964,664	1,175,489
Other creditors	126	-
Accruals	20,250	6,250
	<u>2,080,246</u>	<u>1,282,177</u>

11. CREDITORS: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans and overdrafts	<u>1,819,567</u>	<u>1,909,905</u>

Analysis of bank loans is as follows:

	2019 £	2018 £
Due < 1 year	95,206	100,438
Due > 1 year and < 5 years	413,286	449,126
Due > 5 years	1,406,281	1,460,779
	<u>1,914,773</u>	<u>2,010,343</u>

The bank loans and overdraft are secured by a fixed and floating charge over all the assets of the company at an interest rate of 2.50% over base.

12. DEFERRED TAXATION

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2019 £	2018 £
Excess of taxation allowances over depreciation on fixed assets	7,495	5,028
Capital gain on the properties	71,676	-
	<u>79,171</u>	<u>5,028</u>

GLENHOLME HEALTHCARE (NGC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

12. DEFERRED TAXATION (continued)

The movement in the deferred taxation provision during the year was:

	2019 £	2018 £
Provision brought forward	5,028	7,563
(Credited) to the profit and loss account	2,467	(2,535)
Charged to the revaluation reserve	71,676	-
	<u>79,171</u>	<u>5,028</u>

13. SHARE CAPITAL

Allotted, called up and fully paid:

	2019		2018	
	No	£	No	£
Ordinary shares of £1 each	<u>2,450</u>	<u>2,450</u>	<u>2,450</u>	<u>2,450</u>

14. REVALUATION RESERVE

	2019 £	2018 £
Balance brought forward	122,220	40,151
Revaluation in the year	<u>767,457</u>	<u>82,069</u>
Balance carried forward	<u>889,677</u>	<u>122,220</u>

Revaluation reserve - This reserve records the unrealised gain on properties.

15. PROFIT AND LOSS ACCOUNT

	2019 £	2018 £
Balance brought forward	258,320	155,768
Profit for the financial period	<u>243,808</u>	<u>102,552</u>
Balance carried forward	<u>502,128</u>	<u>258,320</u>

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

16. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available under FRS 102 Section 33.1A not to disclose transactions with the ultimate parent undertaking and those subsidiary undertakings, where the group controls 100% of those companies' voting rights.

17. CAPITAL COMMITMENTS

The company has entered into a contract for £250,000 for building refurbishment and at 31st March 2019 £98,984 is outstanding.

18. ULTIMATE CONTROLLING COMPANY

The smallest and largest group of undertakings for which group accounts are drawn up are those headed by Glenholme Healthcare Group Ltd. Copies of the group accounts are publicly available at Companies House.