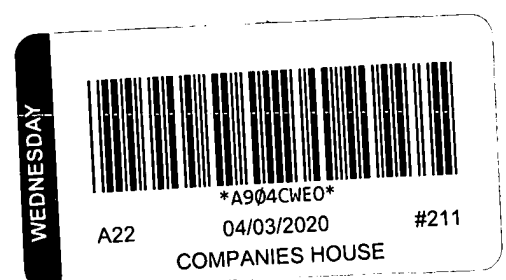


**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019
FOR
PRESTWICK CARE LIMITED**



**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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PRESTWICK CARE LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2019**

DIRECTORS:	D M Malhotra V Malhotra A Malhotra
REGISTERED OFFICE:	Malhotra House 7-9 Groat Market Newcastle upon Tyne Tyne and Wear NE1 1UQ
REGISTERED NUMBER:	07110396 (England and Wales)
SENIOR STATUTORY AUDITOR:	Peter Charles BSc FCA
AUDITORS:	Robson Laidler Accountants Limited Statutory Auditor Fernwood House Fernwood Road Jesmond Newcastle upon Tyne Tyne and Wear NE2 1TJ
BANKERS:	National Westminster Bank plc 16 Northumberland Street Newcastle upon Tyne NE1 7EL
TAX ADVISERS:	PriceWaterhouseCoopers LLP Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

The directors present their strategic report for the year ended 31 March 2019.

REVIEW OF BUSINESS

Prestwick Care Ltd is a leading care home operator in the North East of England providing nursing and residential care through the provision of 141 bedrooms within three separate care home facilities.

Prestwick Care Ltd, trading through its brand name of 'Prestwick Care' has a reputation for excellence through the quality of its homes, and through the provision of high quality care. We are a forward thinking, dynamic organisation that is committed to the development of our staff and ensuring that the highest standards of care are continually maintained. The care, well-being and comfort of our residents is paramount, which is why we have embedded a person-centred, individual care approach. Key achievements for the year include:

- Overall occupancy rates maintained at an average of 94% across the portfolio
- As at March 19 all three homes were rated as 'Good' by CQC. However, as at February 2020 two of the homes had their ratings improved to 'Outstanding' by CQC
- Ongoing improvements in the quality of the portfolio, and significant progress on the new 86 bedroom care home facility in Alnwick, Northumberland due for completion by April 2020

Primary Financial Results

The Statement of Comprehensive Income shows the results for year ended 31 March 2019. The Company's turnover for the year was £5.5m representing a 6.2% increase on the previous year (2018: £5.1m). The Company's operating profit for year ended 31 March 2019 amounted to £175,479 (2018: £220,986).

As at 31 March 2019 the Company had net assets of £2.8m (2018: £2.6m).

Key Performance Indicators

Two of the principal Key Performance Indicators (KPIs) used by the Company to measure its own level of ongoing performance is shown below:

	At 31 March 2019	At 31 March 2018	Increase / (decrease)
Average room occupancy	94.4%	93.7%	0.7%

We have achieved an improvement in average weekly fee per resident of 5.3% in the year ended March 2019.

PRINCIPAL RISKS AND UNCERTAINTIES

The continuing national nursing staff shortages, continue to impact on staff availability and salary expectations. In addition, staff costs are also impacted by the increases in the National Living Wage and National Minimal Wage. Local Authorities and Care Commissioning Groups have recognised the cost pressures and provided care home providers a fee level increase.

As expected, the social care sector continues to be highly regulated with both Local Authorities and the CQC having high expectations for the standards of care to be provided by care home operators. We feel we have the right level of experience and competence within our management team and senior staff to ensure we continue to meet the standards expected of us. This is borne out by 2 of our homes now being rated as Outstanding by the CQC with the 3rd home being rated as Good. All 3 homes are graded as Tier 1 by the Local Authorities.

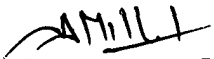
**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

FUTURE DEVELOPMENTS

Prestwick Care has established a reputation as a high quality provider of residential and nursing care in the North East of England. Prestwick Care continues to invest in the portfolio. The ongoing development of our brand new 86 bedroom care home facility at Alnwick, Northumberland is nearing completion which is expected by April 2020. The home, which will be named Beech Tree House, will be the first within our care company to attain our new Platinum Range Standard.

Prestwick Care also continue to invest in the workforce in order to ensure it offers the best possible environments in which to deliver high quality care. Prestwick Care strives to continue to be a leading provider of quality care in the North East of England. To do this Prestwick Care will continue to develop relationships with all Local Authorities and NHS commissioner groups to provide an integrated health and social care system.

ON BEHALF OF THE BOARD:



D M Malhotra - Director

28 February 2020

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2019**

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the operation of care homes in Newcastle upon Tyne and Northumberland.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

D M Malhotra

V Malhotra

A Malhotra

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

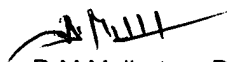
PRESTWICK CARE LIMITED (REGISTERED NUMBER: 07110396)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2019**

AUDITORS

The auditors, Robson Laidler Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



D M Malhotra - Director

28 February 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PRESTWICK CARE LIMITED

Opinion

We have audited the financial statements of Prestwick Care Limited (the 'company') for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, 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 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 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 comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PRESTWICK CARE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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 Statement of Directors' Responsibilities set out on page four, 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 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.

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 a Report of the Auditors 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 Report of the Auditors.

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 a Report of the Auditors 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.

Peter Charles BSc FCA (Senior Statutory Auditor)
for and on behalf of Robson Laidler Accountants Limited
Statutory Auditor
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
NE2 1TJ

Date: 29 February 2020

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 £	2018 £
TURNOVER	4	5,456,394	5,138,255
Cost of sales		<u>221,407</u>	<u>209,494</u>
GROSS PROFIT		5,234,987	4,928,761
Administrative expenses		<u>5,060,793</u>	<u>4,707,659</u>
		174,194	221,102
Other operating income		<u>1,285</u>	<u>(116)</u>
OPERATING PROFIT	6	175,479	220,986
Interest payable and similar expenses	7	<u>5</u>	<u>65</u>
PROFIT BEFORE TAXATION		175,474	220,921
Tax on profit	8	<u>38,202</u>	<u>(15,166)</u>
PROFIT FOR THE FINANCIAL YEAR		137,272	236,087
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>137,272</u>	<u>236,087</u>

BALANCE SHEET
31 MARCH 2019

		2019		2018	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	9		4,837,220		1,396,976
CURRENT ASSETS					
Debtors	10	4,219,037		3,863,037	
Cash at bank and in hand		54,595		50,866	
		4,273,632		3,913,903	
CREDITORS					
Amounts falling due within one year	11	2,795,817		2,195,047	
NET CURRENT ASSETS			1,477,815		1,718,856
TOTAL ASSETS LESS CURRENT LIABILITIES			6,315,035		3,115,832
CREDITORS					
Amounts falling due after more than one year	12		(3,532,800)		(492,000)
PROVISIONS FOR LIABILITIES	16		(24,411)		(3,280)
NET ASSETS			2,757,824		2,620,552
CAPITAL AND RESERVES					
Called up share capital	17		1		1
Retained earnings	18		2,757,823		2,620,551
SHAREHOLDERS' FUNDS			2,757,824		2,620,552

The financial statements were approved by the Board of Directors on 28 February 2020 and were signed on its behalf by:



D M Malhotra - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2017	1	2,384,464	2,384,465
Changes in equity			
Total comprehensive income	-	236,087	236,087
Balance at 31 March 2018	1	2,620,551	2,620,552
Changes in equity			
Total comprehensive income	-	137,272	137,272
Balance at 31 March 2019	1	2,757,823	2,757,824

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. STATUTORY INFORMATION

Prestwick Care Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The financial statements are rounded to the nearest £1.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

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

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c).

Significant judgements and estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements. If, in the future, such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and judgements will be modified as appropriate in the year in which the circumstances change.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

The estimated useful lives of tangible fixed assets

Turnover

Turnover represents care home residents' fees receivable (exempt from value added tax) which are recognised either under the terms of contracts with local authorities or under the terms of short term letting agreements.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019**

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 25% straight line basis

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Assets in the course of construction are not depreciated until they are complete and have been brought into use.

In respect of bank loan finance obtained for a particular property development project, loan interest payments are capitalised as a cost of construction.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Impairment of assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019**

3. ACCOUNTING POLICIES - continued

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

Rendering of services £5,456,394 (2018: £5,138,255)

5. EMPLOYEES AND DIRECTORS

	2019 £	2018 £
Wages and salaries	3,474,697	3,219,997
Social security costs	208,292	181,317
Other pension costs	38,094	16,269
	<u>3,721,083</u>	<u>3,417,583</u>

The average number of employees during the year was as follows:

	2019	2018
Care home	<u>200</u>	<u>190</u>

	2019 £	2018 £
Directors' remuneration	<u>-</u>	<u>-</u>

6. OPERATING PROFIT

The operating profit is stated after charging:

	2019 £	2018 £
Other operating leases	840,000	837,717
Depreciation - owned assets	52,397	43,468
Auditors' remuneration	<u>4,620</u>	<u>3,920</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Bank interest	5	-
Other interest	<u>-</u>	<u>65</u>
	<u>5</u>	<u>65</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

8. TAXATION**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the year was as follows:

	2019	2018
	£	£
Current tax:		
Adjustment in respect of earlier years	17,071	(8,701)
Deferred tax:		
Deferred tax charge/(credit)	(3,305)	(6,225)
Adjustment in respect of earlier years	24,436	(240)
Total deferred tax	21,131	(6,465)
Tax on profit	38,202	(15,166)

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
Profit before tax	175,474	220,921
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	33,340	41,975
Effects of:		
Depreciation in excess of capital allowances	3,934	5,839
Adjustments to tax charge in respect of previous periods	17,071	(8,701)
Group loss relief claimed	(37,034)	(47,814)
Expenses now allowable for tax purposes	(240)	-
Deferred taxation	21,131	(6,465)
Total tax charge/(credit)	38,202	(15,166)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

9. TANGIBLE FIXED ASSETS

	Assets in the course of construction £	Fixtures and fittings £	Totals £
COST			
At 1 April 2018	1,318,384	282,774	1,601,158
Additions	3,392,629	100,012	3,492,641
At 31 March 2019	4,711,013	382,786	5,093,799
DEPRECIATION			
At 1 April 2018	-	204,182	204,182
Charge for year	-	52,397	52,397
At 31 March 2019	-	256,579	256,579
NET BOOK VALUE			
At 31 March 2019	4,711,013	126,207	4,837,220
At 31 March 2018	1,318,384	78,592	1,396,976

Assets in the course of construction with a value of £4,711,013 has been pledged as security for the company's bank liabilities.

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	111,037	89,920
Amounts owed by group undertakings	3,358,976	3,127,497
Other debtors	6,385	2,675
Amounts owed by related parties	297,798	262,798
Corporation tax	64,709	81,780
Prepayments and accrued income	380,132	298,367
	<u>4,219,037</u>	<u>3,863,037</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	124,837	98,940
Amounts owed to group undertakings	1,549,559	1,287,947
Social security and other taxes	42,989	31,905
Other creditors	9,389	4,954
Amounts owed to related parties	793,847	547,597
Accruals and deferred income	275,196	223,704
	<u>2,795,817</u>	<u>2,195,047</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019**

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Bank loans (see note 13)	<u>3,532,800</u>	<u>492,000</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>3,532,800</u>	<u>492,000</u>

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019 £	2018 £
Within one year	840,000	840,000
Between one and five years	3,360,000	3,360,000
In more than five years	8,400,000	9,240,000
	<u>12,600,000</u>	<u>13,440,000</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2019 £	2018 £
Bank loans	<u>3,532,800</u>	<u>492,000</u>

The bank loan is secured by way of a legal charge over all of the company's assets.

The bank loan of £3,532,800 has an applicable interest rate of 1.97% above LIBOR.

16. PROVISIONS FOR LIABILITIES

	2019 £	2018 £
Deferred tax		
Other timing differences	-	(215)
Accelerated capital allowances	24,411	3,495
	<u>24,411</u>	<u>3,280</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019**

16. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 April 2018	3,280
Charge to Statement of Comprehensive Income during year	21,131
	<hr/>
Balance at 31 March 2019	24,411
	<hr/>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2019 £	2018 £
1	Ordinary	£1	1	1
			<hr/>	<hr/>

18. RESERVES

	Retained earnings £
At 1 April 2018	2,620,551
Profit for the year	137,272
	<hr/>
At 31 March 2019	2,757,823
	<hr/>

Reserves:

Retained earnings - includes all current and prior period retained profits and losses.

19. ULTIMATE PARENT COMPANY

Malhotra Group PLC (incorporated in England and Wales) is regarded by the directors as being the company's ultimate parent company.

A copy of the consolidated financial statements can be obtained via the Companies House website.

20. CAPITAL COMMITMENTS

	2019 £	2018 £
Contracted but not provided for in the financial statements	2,799,000	4,982,286
	<hr/>	<hr/>

21. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Amounts due from/to related parties are interest free.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019**

21. RELATED PARTY DISCLOSURES - continued

Key management personnel of the entity or its parent (in the aggregate)

	2019	2018
	£	£
Amount due to related party	<u>3,847</u>	<u>3,847</u>

Other related parties (in the aggregate)

	2019	2018
	£	£
Rent payable	840,000	837,717
Property development costs	2,579,000	642,000
Amount due from related party	297,798	262,798
Amount due to related party	<u>790,000</u>	<u>543,750</u>

22. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is J Malhotra.