

NG Healthcare Limited

Directors' report and financial statements

For the Year Ended 31 March 2018



DAINS
ACCOUNTANTS

NG Healthcare Limited

Company Information

Directors	Mr M V Thomas Mr S K Forrester
Registered number	07139177
Registered office	Trentham Care Centre Longton Road Trentham Stoke on Trent Staffordshire ST4 8FF
Independent auditors	Dains LLP Suite 2 Albion House 2 Etruria Office Village Forge Lane Stoke on Trent ST1 5RQ

Contents

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditors' report	4 - 6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 22

Strategic report
For the Year Ended 31 March 2018

Business review

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

During the year the group undertook a reorganisation and the ultimate holding company is now NGHC Group Limited. Accounts are therefore now consolidated at NGHC Group Limited level and this company no longer needs to prepare consolidated accounts. No change in ultimate ownership occurred as part of the reorganisation.

This company continues to own the care centre land and buildings which are rented to its wholly-owned subsidiary. The company is in the process of formalising the existing lease arrangements and reflecting the recent increases applied.

Principal risks and uncertainties

The business' principal financial instruments comprise bank balances and loans. The main purpose of these instruments is to finance the business' operations. All of the business' cash balances are held in such a way that achieves a competitive rate of interest.

Interest rates - The company manages its interest rate exposure through use of a mixture of fixed rate products and interest rate swaps. The aim being to ensure that if there was a significant change in interest rates the impact would be minimised.

Refinancing - The company will in the coming year look to invite interested parties to consider refinancing the company to enhance on the existing lending arrangements which are due for renewal in Dec 2019.

Rental payments – The company's rental of the care centre land and buildings to its wholly-owned subsidiary places it at risk if that company's trading performance made it unable to pay rents as they fall due.

Financial key performance indicators

We consider that our key financial performance indicators are those that communicate the rent received and the interest costs incurred.

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



.....
Mr M V Thomas
Director

Date:

3rd Dec 2018.

**Directors' report
For the Year Ended 31 March 2018**

The directors present their report and the financial statements for the year ended 31 March 2018.

Directors

The directors who served during the year were:

Mr M V Thomas
Mr S K Forrester

Principal activity

The company's principal activities are those of an intermediate holding company.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 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 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 for the Company'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 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £6,393,557 (2017 - £822,061).

No dividends have been declared during the year.

Future developments

In line with many companies of our size, the business environment in which we operate continues to be challenging. With this ever changing environment we are mindful of the risks and uncertainties associated with our plans for future development of the business and that these may be subject to unforeseen future events outside our control. However, we will continue to show flexibility in our approach and respond to market conditions and opportunities as they arise.

Directors' report (continued)
For the Year Ended 31 March 2018

Employee involvement

An employee stakeholder pension scheme is available to all new employees as required by the government.

Disabled employees

The company is an equal opportunities employer. In addition the company's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Wherever possible disabled employees receive appropriate training to promote their career development within the company. Any employees who become disabled are actively encouraged to remain within the organisation and where possible would be retrained for suitable alternative posts if they cannot continue to work within their existing roles.

Disclosure of information to auditors

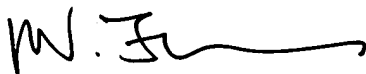
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company'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's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

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



.....
Mr M V Thomas
Director

Date:

3rd Dec 2018

Independent auditors' report to the shareholders of NG Healthcare Limited

Opinion

We have audited the financial statements of NG Healthcare Limited (the 'Company') for the year ended 31 March 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity 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 Company's affairs as at 31 March 2018 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditors' report to the shareholders of NG Healthcare Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report 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, 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 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 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.

Independent auditors' report to the shareholders of NG Healthcare Limited (continued)

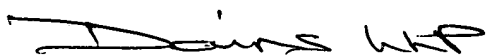
Auditors' responsibilities for the audit of the financial statements

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 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 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



Jonathan Dudley (Senior statutory auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

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

Date:  3 December 2018

**Statement of comprehensive income
For the Year Ended 31 March 2018**

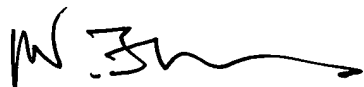
	Note	2018 £	2017 £
Other operating income	4	1,250,000	1,800,000
Other external charges		(45,359)	(45,285)
Depreciation and amortisation		(173,125)	(173,125)
Operating profit		1,031,516	1,581,590
Income from shares in group undertakings		6,000,000	-
Interest receivable and similar income	7	3	4
Interest payable and expenses	8	(507,469)	(530,887)
Profit before tax		6,524,050	1,050,707
Tax on profit	9	(130,493)	(228,646)
Profit for the financial year		6,393,557	822,061
Other comprehensive income for the year			
Total comprehensive income for the year		6,393,557	822,061

The notes on pages 10 to 22 form part of these financial statements.

Balance sheet
As at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	10	8,193,827	8,366,952
Investments	11	14,398,508	14,398,508
		<u>22,592,335</u>	<u>22,765,460</u>
Current assets			
Debtors: amounts falling due within one year	12	572,177	2
Cash at bank and in hand	13	12,530	12,590
		<u>584,707</u>	<u>12,592</u>
Creditors: amounts falling due within one year	14	(3,184,174)	(8,383,689)
Net current liabilities		<u>(2,599,467)</u>	<u>(8,371,097)</u>
Total assets less current liabilities		<u>19,992,868</u>	<u>14,394,363</u>
Creditors: amounts falling due after more than one year	15	(12,203,420)	(12,996,159)
Provisions for liabilities			
Deferred tax	18	(15,462)	(17,775)
		<u>(15,462)</u>	<u>(17,775)</u>
Net assets		<u>7,773,986</u>	<u>1,380,429</u>
Capital and reserves			
Called up share capital	19	502	502
Profit and loss account	20	7,773,484	1,379,927
		<u>7,773,986</u>	<u>1,380,429</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
3.12.2018



Mr M V Thomas
Director

The notes on pages 10 to 22 form part of these financial statements.

NG Healthcare Limited

**Statement of changes in equity
For the Year Ended 31 March 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2016	502	557,866	558,368
Comprehensive income for the year			
Profit for the year	-	822,061	822,061
At 1 April 2017	502	1,379,927	1,380,429
Comprehensive income for the year			
Profit for the year	-	6,393,557	6,393,557
At 31 March 2018	502	7,773,484	7,773,986

**Notes to the financial statements
For the Year Ended 31 March 2018**

1. General information

NG Healthcare Limited is a private company incorporated in England and Wales under the Companies Act. The address of the registered office is Longton Road, Trentham, Stoke on Trent, ST4 8FF.

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 management to exercise judgment in applying the Company's accounting policies (see note 3).

The format of the statement of comprehensive income has been changed during the year to better reflect the activities of the company as a single entity.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare Group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

The following principal accounting policies have been applied:

2.2 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 the 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 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of NGHC Group Limited as at 31 March 2018 and these financial statements may be obtained from Trentham Care Centre, Longton Road, Trentham, Stoke on Trent, Staffordshire, ST4 8FF.

2. Accounting policies (continued)

2.3 Going concern

The balance sheet for the company shows net current liabilities of £2,599,467.

The consolidated balance sheet of NGHC Group Limited shows net current liabilities of £3,252,331 at the balance sheet date.

Having reviewed the ongoing performance of the company and the group and also considered the ongoing relationship with the group's bankers and the fact that £2,896,067 of creditors due in less than one year are due to related parties, the directors consider it appropriate to prepare the financial statements of NG Healthcare Limited on a going concern basis.

2.4 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.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- Straight line basis over 50 years
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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 the Statement of comprehensive income.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 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.

2.7 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.

2. Accounting policies (continued)

2.8 Financial instruments

The Company 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 non-puttable 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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 Company would receive for the asset if it were to be sold at the balance sheet date.

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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Notes to the financial statements
For the Year Ended 31 March 2018

2. Accounting policies (continued)

2.9 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.

2.10 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

2.11 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.12 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 the Statement of comprehensive income in the year that the Company 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.

**Notes to the financial statements
For the Year Ended 31 March 2018**

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

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

In the application of the accounting policies, which are described in note 2, the directors are required to make judgments, 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.

No significant judgements have had to be made by management in preparing these financial statements.

4. Other operating income

	2018 £	2017 £
Other operating income	-	800,000
Net rents receivable	1,250,000	1,000,000
	<u>1,250,000</u>	<u>1,800,000</u>

Notes to the financial statements
For the Year Ended 31 March 2018

5. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	3,000	2,900
	<u>3,000</u>	<u>2,900</u>

6. Employees

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

	2018 No.	2017 No.
Number of directors	2	2
	<u>2</u>	<u>2</u>

7. Interest receivable

	2018 £	2017 £
Other interest receivable	3	4
	<u>3</u>	<u>4</u>

8. Interest payable and similar expenses

	2018 £	2017 £
Bank and other interest payable	444,136	469,399
Other loan interest payable	63,333	61,488
	<u>507,469</u>	<u>530,887</u>

Notes to the financial statements
For the Year Ended 31 March 2018

9. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	132,306	93,823
Adjustments in respect of previous periods	500	20
Total current tax	132,806	93,843
Deferred tax		
Origination and reversal of timing differences	(2,313)	127,714
Changes to tax rates	-	7,089
Total deferred tax	(2,313)	134,803
Taxation on profit on ordinary activities	130,493	228,646

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	6,524,050	1,050,707
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	1,239,570	210,141
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	32,736	34,422
Income not subject to taxation	(1,140,000)	-
Utilisation of tax losses	-	(150,740)
Adjustments to tax charge in respect of prior periods	500	-
Movement on deferred tax	(2,313)	134,803
Other differences leading to an increase (decrease) in the tax charge	-	20
Total tax charge for the year	130,493	228,646

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Notes to the financial statements
For the Year Ended 31 March 2018

10. Tangible fixed assets

	Freehold property £
Cost or valuation	
At 1 April 2017	8,758,364
At 31 March 2018	8,758,364
Depreciation	
At 1 April 2017	391,412
Charge for the year on owned assets	173,125
At 31 March 2018	564,537
Net book value	
At 31 March 2018	8,193,827
At 31 March 2017	8,366,952

Included in freehold property is freehold land at valuation of £3,000,000 (2017 - £3,000,000) which is not depreciated.

11. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2017	14,398,508
At 31 March 2018	14,398,508
Net book value	
At 31 March 2018	14,398,508
At 31 March 2017	14,398,508

Notes to the financial statements
For the Year Ended 31 March 2018

11. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Nightingale Group Limited	Ordinary	100 %	Operation of a specialised care home
Restfold Nursing Care Limited	Ordinary	100 %	Indirectly held dormant subsidiary

The aggregate of the share capital and reserves as at 31 March 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Nightingale Group Limited	96,249	939,446
Restfold Nursing Care Limited	100	-
	<u>96,349</u>	<u>939,446</u>

12. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	572,175	-
Other debtors	2	2
	<u>572,177</u>	<u>2</u>

13. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	12,531	12,590
	<u>12,531</u>	<u>12,590</u>

Notes to the financial statements
For the Year Ended 31 March 2018

14. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans	785,604	697,428
Amounts owed to group undertakings	-	5,408,330
Corporation tax	224,149	166,843
Other creditors	2,174,421	2,111,088
	<u>3,184,174</u>	<u>8,383,689</u>

The bank loan is secured by a fixed and floating charge over all assets of Nightingale Group Limited.

The loan was taken out on 31 March 2011 and is amortising over 20 years with lending margin of 1.53% above 3 month LIBOR. The loan is due for refinancing on 31 December 2019.

Bank loans are stated net of loan fees paid on issues.

15. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Bank loans	12,203,420	12,996,159
	<u>12,203,420</u>	<u>12,996,159</u>

Secured loans

The bank loan is secured by a fixed and floating charge over all assets of Nightingale Group Limited.

The loan was taken out on 31 March 2011 and is amortising over 20 years with lending margin of 1.53% above 3 month LIBOR. The loan is due for refinancing on 31 December 2019.

Bank loans are stated net of loan fees paid on issues.

Notes to the financial statements
For the Year Ended 31 March 2018

16. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	785,604	697,428
	<u>785,604</u>	<u>697,428</u>
Amounts falling due 1-2 years		
Bank loans	12,203,420	743,308
	<u>12,203,420</u>	<u>743,308</u>
Amounts falling due 2-5 years		
Bank loans	-	12,252,851
	<u>-</u>	<u>12,252,851</u>
	<u>12,989,024</u>	<u>13,693,587</u>

The bank loan is secured by a fixed and floating charge over all assets of Nightingale Group Limited.

The loan was taken out on 31 March 2011 and is amortising over 20 years with lending margin of 1.53% above 3 month LIBOR. The loan is due for refinancing on 31 December 2019.

Bank loans are stated net of loan fees paid on issues.

Notes to the financial statements
For the Year Ended 31 March 2018

17. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	12,531	12,590
Financial assets that are debt instruments measured at amortised cost	572,177	2
	<u>584,708</u>	<u>12,592</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(15,163,445)	(21,213,005)
	<u>(15,163,445)</u>	<u>(21,213,005)</u>

Financial assets measured at fair value through profit or loss comprise bank balances.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

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

18. Deferred taxation

	2018 £	2017 £
At beginning of year	(17,775)	117,028
Charged to profit or loss	2,313	(134,803)
At end of year	<u>(15,462)</u>	<u>(17,775)</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(21,436)	(23,749)
Tax losses carried forward	5,974	5,974
	<u>(15,462)</u>	<u>(17,775)</u>

**Notes to the financial statements
For the Year Ended 31 March 2018**

19. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
502 Ordinary shares shares of £1 each	<u>502</u>	<u>502</u>

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

20. Reserves

Profit and loss account

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

21. Related party transactions

The following transactions have been recorded in relation to an entity under the common control of the shareholders. During the year the company was charged interest of £63,333 (2017: £61,488) by the connected party on loan balances due. The company owed £2,174,420 (2017: £2,111,087) to the connected party at the balance sheet date.

The company is a wholly owned subsidiary of NGHC Group Limited. Accordingly, the company has taken advantage of the exemption under section 33 of FRS 102 from disclosing transactions with other members of the Group.

22. Controlling party

The ultimate parent undertaking at the balance sheet date is NGHC Group Limited which is the largest and the smallest group for which consolidated accounts are prepared. The registered office of NGHC Group Limited is Trentham Care Centre, Longton Road, Trentham, Stoke on Trent, ST4 8FF.

The directors do not consider there to be an ultimate controlling party.