

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE PERIOD
30 NOVEMBER 2021 TO 30 NOVEMBER 2022
FOR
SPA NURSING HOMES LIMITED**

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FOR THE PERIOD 30 NOVEMBER 2021 TO 30 NOVEMBER 2022**

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SPA NURSING HOMES LIMITED

COMPANY INFORMATION

FOR THE PERIOD 30 NOVEMBER 2021 TO 30 NOVEMBER 2022

DIRECTORS:

C Arnold
Mrs L H Johnston
E S Johnston

SECRETARY:

D J Ross

REGISTERED OFFICE:

18 Orby Link
Belfast
BT5 5HW

REGISTERED NUMBER:

NI026058 (Northern Ireland)

AUDITORS:

Baker Tilly Mooney Moore
Statutory Auditors
17 Clarendon Road
Clarendon Dock
Belfast
BT1 3BG

BANKERS:

Bank of Ireland
1 Donegall Square South
Belfast
BT1 5LR

SOLICITORS:

John McKee
32-38 Linenhall Street
Belfast
BT2 8BG

**STRATEGIC REPORT
FOR THE PERIOD 30 NOVEMBER 2021 TO 30 NOVEMBER 2022**

The directors present their strategic report for the period 30 November 2021 to 30 November 2022.

REVIEW OF BUSINESS

The company's turnover has increased by 7% from £8.43m to £9.0m. Gross margin has fallen from 26.5% in FY21 to 21.8% in FY22. Turnover continues to be the key performance indicator for the company. The directors consider that in the light of prevailing economic and market conditions, both the results for the year and the prospects for the future are satisfactory.

PRINCIPAL RISKS AND UNCERTAINTIES

The company uses various financial instruments including bank loans and overdrafts, hire purchase, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to provide sufficient finance for the company's operations. The directors remain mindful of risks and uncertainties facing the business, such as the Health Trust cuts on occupancy rates, rising costs and fluctuation in the interest rates.

FINANCIAL KEY PERFORMANCE INDICATORS

The directors consider the key performance indicators to be turnover and will continue to monitor this.

OTHER KEY PERFORMANCE INDICATORS

The directors do not consider any non-financial key performance indicators to be appropriate.

ON BEHALF OF THE BOARD:

E S Johnston - Director

18 August 2023

**REPORT OF THE DIRECTORS
FOR THE PERIOD 30 NOVEMBER 2021 TO 30 NOVEMBER 2022**

The directors present their report with the financial statements of the company for the period 30 November 2021 to 30 November 2022.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the provision of nursing home facilities.

DIVIDENDS

No dividends were paid or declared in the current period. Dividends of £250,000 were paid in period ended 29 November 2021.

FUTURE DEVELOPMENTS

The directors do not foresee any major future developments in the forthcoming year.

DIRECTORS

The directors shown below have held office during the whole of the period from 30 November 2021 to the date of this report.

C Arnold
Mrs L H Johnston
E S Johnston

ENGAGEMENT WITH EMPLOYEES

During the period the policy of providing employees with information about the Company has been continued through internal media methods in which the employees have also been encouraged to present their suggestions and views on the Company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

DISABLED EMPLOYEES

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

MATTERS COVERED IN THE STRATEGIC REPORT

Under Schedule 7.1A of "Large and Medium- Sized Companies and Groups (Accounts and Reports) Regulations 2008" the company has elected to disclose the following directors report information in the strategic report:

- Business review;
- Principal risks and uncertainties; and
- Key financial performance indicators

**REPORT OF THE DIRECTORS
FOR THE PERIOD 30 NOVEMBER 2021 TO 30 NOVEMBER 2022**

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). 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;
- 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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Baker Tilly Mooney Moore, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

E S Johnston - Director

18 August 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SPA NURSING HOMES LIMITED

Opinion

We have audited the financial statements of Spa Nursing Homes Limited (the 'company') for the period ended 30 November 2022 which comprise the Statement of Income and Retained Earnings, Balance Sheet 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 30 November 2022 and of its profit for the period 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

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

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

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

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 SPA NURSING HOMES 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SPA NURSING HOMES LIMITED

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and local tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- obtained an understanding of provisions and held discussions with management to understand the basis of recognition or non-recognition of tax provisions; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SPA NURSING HOMES LIMITED**

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.

Eimear Brown (Senior Statutory Auditor)
for and on behalf of Baker Tilly Mooney Moore
Statutory Auditors
17 Clarendon Road
Clarendon Dock
Belfast
BT1 3BG

22 August 2023

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD 30 NOVEMBER 2021 TO 30 NOVEMBER 2022

		Period 30.11.21 to 30.11.22 £	Period 1.12.20 to 29.11.21 £
	Notes		
TURNOVER		9,012,423	8,425,738
Cost of sales		<u>7,044,842</u>	<u>6,189,966</u>
GROSS PROFIT		1,967,581	2,235,772
Administrative expenses		<u>1,807,925</u>	<u>1,664,329</u>
		159,656	571,443
Other operating income		<u>641,468</u>	<u>414,065</u>
OPERATING PROFIT	4	801,124	985,508
Interest payable and similar expenses	5	<u>145,448</u>	<u>109,564</u>
PROFIT BEFORE TAXATION		655,676	875,944
Tax on profit	6	<u>102,147</u>	<u>131,593</u>
PROFIT FOR THE FINANCIAL PERIOD		553,529	744,351
Retained earnings at beginning of period		3,028,136	2,533,785
Dividends	7	-	(250,000)
RETAINED EARNINGS AT END OF PERIOD		3,581,665	3,028,136

The notes form part of these financial statements

SPA NURSING HOMES LIMITED (REGISTERED NUMBER: NI026058)

**BALANCE SHEET
30 NOVEMBER 2022**

	Notes	30.11.22 £	£	29.11.21 £	£
FIXED ASSETS					
Intangible assets	8		71,537		97,080
Tangible assets	9		5,368,414		5,359,002
Investment property	10		<u>500,000</u>		<u>500,000</u>
			5,939,951		5,956,082
CURRENT ASSETS					
Stocks	11	1,780		1,780	
Debtors	12	2,373,004		2,216,241	
Cash at bank		<u>976,618</u>		<u>978,095</u>	
		3,351,402		3,196,116	
CREDITORS					
Amounts falling due within one year	13	<u>2,018,908</u>		<u>1,896,971</u>	
NET CURRENT ASSETS			1,332,494		1,299,145
TOTAL ASSETS LESS CURRENT LIABILITIES			7,272,445		7,255,227
CREDITORS					
Amounts falling due after more than one year	14		(3,138,797)		(3,662,789)
PROVISIONS FOR LIABILITIES	17		<u>(157,450)</u>		<u>(169,769)</u>
NET ASSETS			<u>3,976,198</u>		<u>3,422,669</u>
CAPITAL AND RESERVES					
Called up share capital	18		1,200		1,200
Capital redemption reserve	19		393,333		393,333
Retained earnings	19		<u>3,581,665</u>		<u>3,028,136</u>
SHAREHOLDERS' FUNDS			<u>3,976,198</u>		<u>3,422,669</u>

The financial statements were approved by the Board of Directors and authorised for issue on 18 August 2023 and were signed on its behalf by:

E S Johnston - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 30 NOVEMBER 2021 TO 30 NOVEMBER 2022**

1. STATUTORY INFORMATION

Spa Nursing Homes Limited is a private company, limited by shares, registered in Northern Ireland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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. The financial statements have been prepared under the historical cost convention.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

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 requirement of paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirement of paragraph 33.7;
- the requirements of paragraph 24(b) of IFRS 6.

Significant judgements and estimates

The annual depreciation charge for tangible fixed assets is sensitive to changes in estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business is being amortised evenly over its estimated useful life of 10 years.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 30 NOVEMBER 2021 TO 30 NOVEMBER 2022

2. ACCOUNTING POLICIES - continued

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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, both straight line and reducing balance.

Depreciation is provided on the following basis:

Freehold property - 2% straight line

Plant and machinery - 15% reducing balance

Fixtures and fittings - 15% reducing balance

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

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

Government grants

Government grants of a revenue nature are recognised in the Income Statement in the same period as the related expenditure.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 30 NOVEMBER 2021 TO 30 NOVEMBER 2022

2. ACCOUNTING POLICIES - continued

Financial instruments

All financial instruments of the company are considered to meet the definition of basic financial instruments.

- Short term debtors and creditors

Debtors and creditors with no stated interest rate and are receivable or payable on demand are recognised at transaction price, and subject to annual impairment reviews. Any losses arising on impairment are recognised in the profit and loss account.

- Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

- Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate 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.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Borrowing costs

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

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, 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 tax

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 period 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 30 NOVEMBER 2021 TO 30 NOVEMBER 2022

2. ACCOUNTING POLICIES - continued

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.

3. EMPLOYEES AND DIRECTORS

	Period 30.11.21 to 30.11.22 £	Period 1.12.20 to 29.11.21 £
Wages and salaries	6,330,471	5,585,799
Social security costs	450,362	365,515
Other pension costs	98,324	162,937
	<u>6,879,157</u>	<u>6,114,251</u>

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

	Period 30.11.21 to 30.11.22	Period 1.12.20 to 29.11.21
Management Staff	4	4
Administration Staff	3	3
Nursing Staff	277	279
	<u>284</u>	<u>286</u>

	Period 30.11.21 to 30.11.22 £	Period 1.12.20 to 29.11.21 £
Directors' remuneration	-	-

The above costs include £785,594 (FY21: £223,260) of costs for agency staff.

4. OPERATING PROFIT

The operating profit is stated after charging:

	Period 30.11.21 to 30.11.22 £	Period 1.12.20 to 29.11.21 £
Other operating leases	4,603	3,348
Depreciation - owned assets	261,064	263,484
Goodwill amortisation	<u>25,543</u>	<u>25,043</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 30 NOVEMBER 2021 TO 30 NOVEMBER 2022

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 30.11.21 to 30.11.22 £	Period 1.12.20 to 29.11.21 £
Bank interest & charges	(7,000)	7,000
Bank loan interest	<u>152,448</u>	<u>102,564</u>
	<u>145,448</u>	<u>109,564</u>

6. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the period was as follows:

	Period 30.11.21 to 30.11.22 £	Period 1.12.20 to 29.11.21 £
Current tax:		
UK corporation tax	114,466	131,593
Deferred tax	(12,319)	-
Tax on profit	<u>102,147</u>	<u>131,593</u>

Reconciliation of total tax charge included in profit and loss

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

	Period 30.11.21 to 30.11.22 £	Period 1.12.20 to 29.11.21 £
Profit before tax	<u>655,676</u>	<u>875,944</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	124,578	166,429
Effects of:		
Expenses not deductible for tax purposes	4,962	-
Depreciation in excess of capital allowances	27,118	33,820
Adjustments to tax charge in respect of previous periods	-	(84,099)
Group relief	(42,192)	(25,302)
Remeasurement of deferred tax	(12,319)	40,745
Total tax charge	<u>102,147</u>	<u>131,593</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 30 NOVEMBER 2021 TO 30 NOVEMBER 2022

7. DIVIDENDS

	Period 30.11.21 to 30.11.22 £	Period 1.12.20 to 29.11.21 £
Ordinary Shares shares of 1.00 each		
Final	-	250,000

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 30 November 2021	
and 30 November 2022	245,430
AMORTISATION	
At 30 November 2021	148,350
Amortisation for period	25,543
At 30 November 2022	173,893
NET BOOK VALUE	
At 30 November 2022	71,537
At 29 November 2021	97,080

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures, fittings & equipment £	Totals £
COST				
At 30 November 2021	6,214,094	1,894,846	1,251,083	9,360,023
Additions	209,400	-	61,076	270,476
At 30 November 2022	6,423,494	1,894,846	1,312,159	9,630,499
DEPRECIATION				
At 30 November 2021	1,749,520	1,567,410	684,091	4,001,021
Charge for period	124,631	49,115	87,318	261,064
At 30 November 2022	1,874,151	1,616,525	771,409	4,262,085
NET BOOK VALUE				
At 30 November 2022	4,549,343	278,321	540,750	5,368,414
At 29 November 2021	4,464,574	327,436	566,992	5,359,002

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 30 NOVEMBER 2021 TO 30 NOVEMBER 2022

10. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 30 November 2021 and 30 November 2022	<u>500,000</u>
NET BOOK VALUE	
At 30 November 2022	<u>500,000</u>
At 29 November 2021	<u>500,000</u>

11. STOCKS

	30.11.22 £	29.11.21 £
Stocks	<u>1,780</u>	<u>1,780</u>

12. DEBTORS

	30.11.22 £	29.11.21 £
Amounts falling due within one year:		
Trade debtors	108,918	82,521
Amounts owed by group undertakings	1,604,614	1,518,648
Other debtors	401	405
Prepayments and accrued income	<u>44,404</u>	<u>-</u>
	<u>1,758,337</u>	<u>1,601,574</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>614,667</u>	<u>614,667</u>
Aggregate amounts	<u>2,373,004</u>	<u>2,216,241</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.11.22 £	29.11.21 £
Bank loans and overdrafts (see note 15)	696,180	677,145
Hire purchase contracts (see note 16)	-	13
Trade creditors	347,091	323,560
Amounts owed to group undertakings	54	54
Amounts owed to participating interests	196,000	161,000
Tax	196,179	165,208
Social security and other taxes	119,759	110,989
Other creditors	83,777	82,160
Accrued expenses	<u>379,868</u>	<u>376,842</u>
	<u>2,018,908</u>	<u>1,896,971</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 30 NOVEMBER 2021 TO 30 NOVEMBER 2022

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

Trade and other creditors are payable at various dates over the coming months in accordance with the suppliers' usual and customary credit terms.

Security on the bank loans has been disclosed in the note below.

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

	30.11.22	29.11.21
	£	£
Bank loans (see note 15)	3,062,130	3,586,122
Preference shares (see note 15)	76,667	76,667
	<u>3,138,797</u>	<u>3,662,789</u>

Bank loans and overdrafts are secured by way of a legal charge over the properties and a debenture over all properties and assets of the company.

15. LOANS

An analysis of the maturity of loans is given below:

	30.11.22	29.11.21
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>696,180</u>	<u>677,145</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	696,179	502,140
Preference shares	<u>76,667</u>	<u>76,667</u>
	<u>772,846</u>	<u>578,807</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>2,365,951</u>	<u>1,450,665</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>-</u>	<u>1,633,317</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 30 NOVEMBER 2021 TO 30 NOVEMBER 2022

15. LOANS - continued

Bank loans and overdraft are secured by way of legal charge over the properties and a debenture over all properties and assets of the company.

Bank loans which fall due for repayment after more than 5 years from the balance sheet date are repayable by monthly installments until 31 March 2025, with the remaining balance due for repayment on that date. The loans are subject to interest rates based on the LIBOR plus a margin of 2.75%.

During 2020 the company entered into a new loan agreement in relation to the Coronavirus Business Interruption Loan Scheme (CBIL scheme).

Under the Coronavirus Business Interruption Loan Scheme, the UK government may provide a guarantee, to Funding Circle in the event of non-payment by the company, in respect of the company's obligations in respect of the Loan on the terms agreed between the Bank, the British Business Bank and the UK Government subject to the eligibility criteria. The loan has a rate of interest of 8.9%

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.11.22	29.11.21
			£	£
76,667	Preference shares	£1	<u>76,667</u>	<u>76,667</u>

16. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	Hire purchase contracts	
	30.11.22	29.11.21
	£	£
Net obligations repayable:		
Within one year	<u>-</u>	<u>13</u>

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

17. PROVISIONS FOR LIABILITIES

	30.11.22	29.11.21
	£	£
Deferred tax	<u>157,450</u>	<u>169,769</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 30 NOVEMBER 2021 TO 30 NOVEMBER 2022

17. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 30 November 2021	169,769
Credit to Income Statement during period	<u>(12,319)</u>
Balance at 30 November 2022	<u>157,450</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.11.22 £	29.11.21 £
1,200	Ordinary Shares	1.00	<u>1,200</u>	<u>1,200</u>

19. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 30 November 2021	3,028,136	393,333	3,421,469
Profit for the period	<u>553,529</u>		<u>553,529</u>
At 30 November 2022	<u>3,581,665</u>	<u>393,333</u>	<u>3,974,998</u>

20. PENSION COMMITMENTS

The company operates two defined contribution pension schemes. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost recharge represents contributions payable by the company to the funds and amounted to £98,324 (2021: £162,937). Contributions of £21,194 were payable at the balance sheet date (2021: £20,760).

21. ULTIMATE PARENT COMPANY

McLegz Holdings Limited is regarded by the directors as being the company's ultimate parent company.

The immediate and ultimate parent is McLegz Holdings Limited, a company incorporated in Northern Ireland. The results of the company are consolidated in the accounts of McLegz Holdings Limited. Copies of the group accounts are available from Company House, 32-38 Linenhall Street, Belfast.

22. 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.

During the year the company rented property from a related party. Rent for the year was £196,000 and the amount owing at year end was £196,000 (2021: £161,000).

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