

Company Registration No. 02027245 (England and Wales)

MOTHERDALE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

SATURDAY



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COMPANIES HOUSE

MOTHERDALE LIMITED

COMPANY INFORMATION

Directors	Mrs S E Maredia Dr M N Maredia Mr B Maredia
Secretary	Mrs S E Maredia
Company number	02027245
Registered office	Summerfields St James Field Castle Eden Co. Durham
Auditor	Haines Watts Sterling House 22 St Cuthberts Way Darlington Co Durham
Business address	Summerfields St James Field Castle Eden Co. Durham

MOTHERDALE LIMITED

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MOTHERDALE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present the strategic report for the year ended 31 March 2018.

Fair review of the business

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

The company's remaining care home at Durham has continued to trade successfully and has maintained occupancy and margin.

Principal risks and uncertainties

Critical Success Factors

The critical success factors for profit performance are occupancy and gross margin.

Most new clients come through recommendation, so the company has quality systems in place to ensure continued high standard in order to maintain the good reputation of the company.

Gross margin is affected by staff cost and fee levels, however internal controls are in place to maximise efficiency. The company manages business risk by maintaining very strong relationships with customers, suppliers and employees, and also by making changes in response to market conditions in the care home industry.

Care Act 2014

The new regulations about funding for long term care came into force in April 2016. This could result in a higher number of local authority funded clients potentially at reduced fees which could reduce gross margin.

Interest rates

The company borrows money to fund new developments. These borrowings, which are long term in nature are at floating rates and therefore the company is exposed to changes in interest rates, however the risk is mitigated through hedging contracts.

Development and performance

The directors are considering various business strategies aimed at the continued development of the company and in order to enhance shareholder value.

On behalf of the board



Mr B Maredia

Director

03/11/18

MOTHERDALE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

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

Principal activities

The principal activity of the group continued to be that of a residential care home.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mrs S E Maredia

Dr M N Maredia

Mr B Maredia

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £76,200. The directors do not recommend payment of a further dividend.

Auditor

In accordance with the company's articles, a resolution proposing that be reappointed as auditor of the group will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group 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 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MOTHERDALE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



Mr B Maredia

Director

07/11/18

MOTHERDALE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MOTHERDALE LIMITED

Opinion

We have audited the financial statements of Motherdale Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows 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 FRS 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 group's and the parent company's affairs as at 31 March 2018 and of the group's 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 Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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 included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MOTHERDALE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MOTHERDALE LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MOTHERDALE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MOTHERDALE 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Easton FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts

26/11/18

Chartered Accountants and
Statutory Auditor

Sterling House
22 St Cuthberts Way
Darlington
Co Durham

MOTHERDALE LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Turnover	3	1,679,772	1,981,531
Cost of sales		(932,795)	(1,169,959)
Gross profit		746,977	811,572
Administrative expenses		(367,024)	(549,216)
Operating profit	4	379,953	262,356
Interest receivable and similar income	7	6,238	8,015
Interest payable and similar expenses	8	(2,262)	(20,252)
Profit/(loss) on disposal of tangible fixed assets		-	2,444,358
Profit before taxation		383,929	2,694,477
Taxation	9	(81,718)	(289,167)
Profit for the financial year		302,211	2,405,310

Total comprehensive income for the year is all attributable to the owners of the parent company.

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

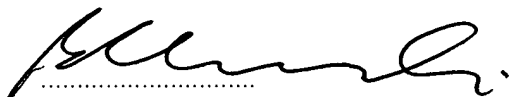
MOTHERDALE LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Goodwill	11		34,455		53,446
Tangible assets	12		979,712		1,023,397
			<u>1,014,167</u>		<u>1,076,843</u>
Current assets					
Stocks	16	1,225		1,225	
Debtors	17	138,305		131,525	
Cash at bank and in hand		4,363,171		4,143,911	
		<u>4,502,701</u>		<u>4,276,661</u>	
Creditors: amounts falling due within one year	18	(659,410)		(615,394)	
Net current assets			<u>3,843,291</u>		<u>3,661,267</u>
Total assets less current liabilities			<u>4,857,458</u>		<u>4,738,110</u>
Creditors: amounts falling due after more than one year	19		(8,010)		(114,673)
Net assets			<u><u>4,849,448</u></u>		<u><u>4,623,437</u></u>
Capital and reserves					
Called up share capital	23		100		100
Profit and loss reserves			4,849,348		4,623,337
Total equity			<u><u>4,849,448</u></u>		<u><u>4,623,437</u></u>

The financial statements were approved by the board of directors and authorised for issue on 07/01/18 and are signed on its behalf by:



Mr B Maredia
Director

MOTHERDALE LIMITED

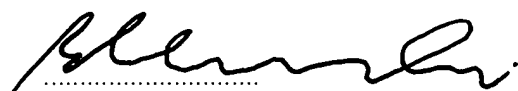
COMPANY BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	12		19,066		25,421
Investments	13		688,080		688,080
			<u>707,146</u>		<u>713,501</u>
Current assets					
Debtors	17	4,051		3,695	
Cash at bank and in hand		1,714,222		1,629,738	
		<u>1,718,273</u>		<u>1,633,433</u>	
Creditors: amounts falling due within one year	18	(498,138)		(493,628)	
Net current assets			<u>1,220,135</u>		<u>1,139,805</u>
Total assets less current liabilities			<u>1,927,281</u>		<u>1,853,306</u>
Capital and reserves					
Called up share capital	23		100		100
Profit and loss reserves			1,927,181		1,853,206
Total equity			<u>1,927,281</u>		<u>1,853,306</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £150,175 (2017 - £458 loss).

The financial statements were approved by the board of directors and authorised for issue on 07/11/18 and are signed on its behalf by:



Mr B Maredia
Director

Company Registration No. 02027245

MOTHERDALE LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Share capital £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 April 2016		100	2,694,442	2,694,542	152,099	2,846,641
Year ended 31 March 2017:						
Profit and total comprehensive income for the year		-	2,405,310	2,405,310	-	2,405,310
Dividends	10	-	(144,500)	(144,500)	-	(144,500)
Acquisition of non-controlling interests		-	-	-	(152,099)	(152,099)
Acquisition of non-controlling interest		-	(331,915)	(331,915)	-	(331,915)
Balance at 31 March 2017		100	4,623,337	4,623,437	-	4,623,437
Year ended 31 March 2018:						
Profit and total comprehensive income for the year		-	302,211	302,211	-	302,211
Dividends	10	-	(76,200)	(76,200)	-	(76,200)
Balance at 31 March 2018		100	4,849,348	4,849,448	-	4,849,448

MOTHERDALE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2016		100	1,998,164	1,998,264
Year ended 31 March 2017:				
Loss and total comprehensive income for the year		-	(458)	(458)
Dividends	10	-	(144,500)	(144,500)
Balance at 31 March 2017		100	1,853,206	1,853,306
Year ended 31 March 2018:				
Profit and total comprehensive income for the year		-	150,175	150,175
Dividends	10	-	(76,200)	(76,200)
Balance at 31 March 2018		100	1,927,181	1,927,281

MOTHERDALE LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	25	458,166		296,467	
Interest paid		(2,262)		(20,252)	
Income taxes paid		(45,782)		(137,811)	
Net cash inflow from operating activities		<u>410,122</u>		<u>138,404</u>	
Investing activities					
Purchase of tangible fixed assets		(15,719)		(70,450)	
Proceeds on disposal of tangible fixed assets		-		4,323,037	
Proceeds on disposal of subsidiaries		-		(484,000)	
Proceeds from other investments and loans		-		2,444,358	
Interest received		6,238		8,015	
Net cash (used in)/generated from investing activities		<u>(9,481)</u>		<u>6,220,960</u>	
Financing activities					
Repayment of bank loans		(105,181)		(3,961,725)	
Dividends paid to equity shareholders		(76,200)		(144,500)	
Net cash used in financing activities		<u>(181,381)</u>		<u>(4,106,225)</u>	
Net increase in cash and cash equivalents		<u>219,260</u>		<u>2,253,139</u>	
Cash and cash equivalents at beginning of year		4,143,911		1,890,772	
Cash and cash equivalents at end of year		<u><u>4,363,171</u></u>		<u><u>4,143,911</u></u>	

MOTHERDALE LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	26		(3,871)		1,216,809
Income taxes paid			(126)		(7,659)
Net cash (outflow)/inflow from operating activities			(3,997)		1,209,150
Investing activities					
Proceeds on disposal of subsidiaries		-		(484,000)	
Interest received		4,681		9,114	
Dividends received		160,000		-	
Net cash generated from/(used in) investing activities			164,681		(474,886)
Financing activities					
Dividends paid to equity shareholders		(76,200)		(144,500)	
Net cash used in financing activities			(76,200)		(144,500)
Net increase in cash and cash equivalents			84,484		589,764
Cash and cash equivalents at beginning of year			1,629,738		1,039,974
Cash and cash equivalents at end of year			1,714,222		1,629,738

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

Motherdale Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Summerfields, St James Field, Castle Eden, County Durham.

The group consists of Motherdale Limited and all of its subsidiaries.

The principal activity of the group is the same as that shown in the Directors' report.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £150,175 (2017 - £458 loss).

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Motherdale Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover represents fees receivable for nursing and personal care from public and private residents, exempt from Value Added Tax, provided under contracts to the extent that there is a right to consideration.

Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sale of Services

Revenue from contracts for the provision of care services is recognised in the period in which the services are provided.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	2% Straight line
Fixtures, fittings & equipment	15% Reducing balance
Motor vehicles	25% Reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed 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.

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value where the net realisable value of stock is the estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 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.

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.12 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.

1.13 Taxation

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. 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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of intangible assets

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the aging profile of the debtor and historical experience.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic and residual values of the assets. The economic useful lives and residual values are assessed on an annual basis and are amended when required to reflect the changes in the condition of the asset or market.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2018 £	2017 £
Turnover analysed by class of business		
Sale of Services	1,679,772	1,981,531
	<u> </u>	<u> </u>
	2018 £	2017 £
Other significant revenue		
Interest income	6,238	8,015
	<u> </u>	<u> </u>

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

3 Turnover and other revenue (Continued)

	2018 £	2017 £
Turnover analysed by geographical market		
United Kingdom	1,679,772	1,981,531

4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	59,402	57,848
(Profit)/loss on disposal of tangible fixed assets	-	4,717
Amortisation of intangible assets	18,991	18,991
Cost of stocks recognised as an expense	2,375	2,375

5 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	996	996
Audit of the financial statements of the company's subsidiaries	3,084	3,084
	4,080	4,080

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
54	69	-	-

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

6	Employees	(Continued)			
Their aggregate remuneration comprised:					
		Group		Company	
		2018	2017	2018	2017
		£	£	£	£
	Wages and salaries	789,233	994,366	-	-
	Social security costs	51,167	65,284	1,681	1,591
	Pension costs	58,095	163,946	-	-
		<u>898,495</u>	<u>1,223,596</u>	<u>1,681</u>	<u>1,591</u>
7	Interest receivable and similar income				
				2018	2017
				£	£
	Interest income				
	Interest on bank deposits			6,225	8,015
	Other interest income			13	-
	Total income			<u>6,238</u>	<u>8,015</u>
Investment income includes the following:					
	Interest on financial assets not measured at fair value through profit or loss			<u>6,225</u>	<u>8,015</u>
8	Interest payable and similar expenses				
				2018	2017
				£	£
	Interest on financial liabilities measured at amortised cost:				
	Interest on bank overdrafts and loans			<u>2,262</u>	<u>20,252</u>
9	Taxation				
				2018	2017
				£	£
	Current tax				
	UK corporation tax on profits for the current period			77,472	456,891
	Adjustments in respect of prior periods			(1,660)	3,083
	Total current tax			<u>75,812</u>	<u>459,974</u>
	Deferred tax				
	Origination and reversal of timing differences			<u>5,906</u>	<u>(170,807)</u>
	Total tax charge for the year			<u>81,718</u>	<u>289,167</u>

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	383,929	2,694,477
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	72,947	538,895
Tax effect of expenses that are not deductible in determining taxable profit	837	3,519
Gains not taxable	-	(76,577)
Adjustments in respect of prior years	(1,660)	3,083
Depreciation on assets not qualifying for tax allowances	9,950	10,818
Depreciation	(356)	(190,571)
Taxation charge for the year	81,718	289,167

10 Dividends

	2018 £	2017 £
Interim paid	76,200	144,500

11 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 April 2017 and 31 March 2018	189,912
Amortisation and impairment	
At 1 April 2017	136,466
Amortisation charged for the year	18,991
At 31 March 2018	155,457
Carrying amount	
At 31 March 2018	34,455
At 31 March 2017	53,446

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

12 Tangible fixed assets

Group	Land and buildings Freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2017	1,270,533	317,790	88,175	1,676,498
Additions	-	15,719	-	15,719
At 31 March 2018	1,270,533	333,509	88,175	1,692,217
Depreciation and impairment				
At 1 April 2017	416,613	215,714	20,775	653,102
Depreciation charged in the year	26,040	16,513	16,850	59,403
At 31 March 2018	442,653	232,227	37,625	712,505
Carrying amount				
At 31 March 2018	827,880	101,282	50,550	979,712
At 31 March 2017	853,921	102,076	67,400	1,023,397
Company			Motor vehicles £	
Cost				
At 1 April 2017 and 31 March 2018			42,815	
Depreciation and impairment				
At 1 April 2017			17,394	
Depreciation charged in the year			6,355	
At 31 March 2018			23,749	
Carrying amount				
At 31 March 2018			19,066	
At 31 March 2017			25,421	

13 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	14	-	-	688,080	688,080

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

13 Fixed asset investments (Continued)

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 1 April 2017 and 31 March 2018	688,080
Carrying amount	
At 31 March 2018	688,080
At 31 March 2017	688,080

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Ideal Care (North) Limited	England and Wales	Care Home	Ordinary	100.00

15 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	102,179	91,585	-	-
Carrying amount of financial liabilities				
Measured at amortised cost	170,285	265,008	498,138	493,502

16 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Finished goods and goods for resale	1,225	1,225	-	-

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

17 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts falling due within one year:				
Trade debtors	101,979	91,385	-	-
Other debtors	200	200	-	-
Prepayments and accrued income	5,541	3,449	-	-
	<u>107,720</u>	<u>95,034</u>	<u>-</u>	<u>-</u>
Deferred tax asset (note 21)	5,519	5,657	4,051	3,695
	<u>113,239</u>	<u>100,691</u>	<u>4,051</u>	<u>3,695</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 21)	25,066	30,834	-	-
	<u>25,066</u>	<u>30,834</u>	<u>-</u>	<u>-</u>
Total debtors	<u>138,305</u>	<u>131,525</u>	<u>4,051</u>	<u>3,695</u>

18 Creditors: amounts falling due within one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans and overdrafts	20	105,180	103,698	-	-
Trade creditors		35,970	29,770	-	-
Amounts due to group undertakings		-	-	495,474	491,115
Corporation tax payable		486,921	456,891	-	126
Other taxation and social security		10,214	8,168	-	-
Other creditors		15,941	13,050	-	-
Accruals and deferred income		5,184	3,817	2,664	2,387
		<u>659,410</u>	<u>615,394</u>	<u>498,138</u>	<u>493,628</u>

19 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans and overdrafts	20	8,010	114,673	-	-
		<u>8,010</u>	<u>114,673</u>	<u>-</u>	<u>-</u>

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

20 Loans and overdrafts

	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans	113,190	218,371	-	-
Payable within one year	105,180	103,698	-	-
Payable after one year	8,010	114,673	-	-

21 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Assets 2018 £	Assets 2017 £
Accelerated capital allowances	30,585	36,491
Company	Assets 2018 £	Assets 2017 £
Accelerated capital allowances	4,051	3,695
Movements in the year:	Group 2018 £	Company 2018 £
Liability/(asset) at 1 April 2017	(36,491)	(3,695)
Charge/(credit) to profit or loss	5,906	(356)
Liability/(asset) at 31 March 2018	(30,585)	(4,051)

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

22 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	58,095	163,946

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23 Share capital

	Group and company	
	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100

24 Directors' transactions

Dividends totalling £76,200 (2017 - £144,500) were paid in the year in respect of shares held by the company's directors. Dividends totalling £163,800 (2017 - £385,500) were waived during the year.

25 Cash generated from group operations

	2018 £	2017 £
Profit for the year after tax	302,212	2,405,310
Adjustments for:		
Taxation charged	81,718	289,167
Finance costs	2,262	20,252
Investment income	(6,238)	(8,015)
(Gain)/loss on disposal of tangible fixed assets	-	4,717
Amortisation and impairment of intangible assets	18,991	18,991
Depreciation and impairment of tangible fixed assets	59,403	57,848
Amounts written off investments	-	(2,444,358)
Movements in working capital:		
(Increase)/decrease in stocks	-	2,375
(Increase)/decrease in debtors	(12,686)	131,768
Increase/(decrease) in creditors	12,504	(181,588)
Cash generated from operations	458,166	296,467

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

25 Cash generated from operations - company

	2018	2017
	£	£
Profit/(loss) for the year after tax	150,175	(458)
Adjustments for:		
Taxation credited	(356)	(3,569)
Investment income	(164,681)	(9,114)
Depreciation and impairment of tangible fixed assets	6,355	8,474
Movements in working capital:		
(Increase)/decrease in debtors	-	734,164
Increase in creditors	4,636	487,312
Cash (absorbed by)/generated from operations	(3,871)	1,216,809