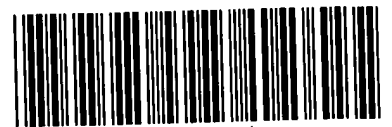


Company Registration No. 02027245 (England and Wales)

MOTHERDALE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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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	Laurel House Stockton Road Thirsk North Yorkshire YO7 1AZ
Auditor	Haines Watts Sterling House 22 St Cuthberts Way Darlington Co Durham
Business address	Laurel House Stockton Road Thirsk North Yorkshire YO7 1AZ

MOTHERDALE LIMITED

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MOTHERDALE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present the strategic report for the year ended 31 March 2020.

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.

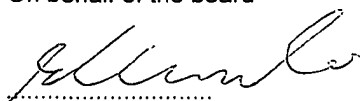
Interest rates

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

26/3/2021

MOTHERDALE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

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 £166,000. The directors do not recommend payment of a further dividend.

Auditor

In accordance with the company's articles, a resolution proposing that Haines Watts 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

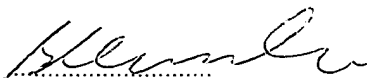
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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

26/3/2021

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 2020 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 2020 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 group and parent 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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, suppliers and wider economy. The Directors' view on the impact of COVID-19 is disclosed in accounting policies note 1.3.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 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 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: <https://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

26/03/2021

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 2020

	Notes	2020 £	2019 £
Turnover	3	1,702,877	1,786,187
Cost of sales		(996,728)	(943,824)
Gross profit		706,149	842,363
Administrative expenses		(394,345)	(412,230)
Other operating income		5,360	-
Operating profit	4	317,164	430,133
Interest receivable and similar income	7	13,040	17,411
Interest payable and similar expenses	8	-	(17,437)
Profit before taxation		330,204	430,107
Tax on profit	9	(72,013)	(92,224)
Profit for the financial year		258,191	337,883

Profit for the financial year is all attributable to the owners of the parent company.

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.

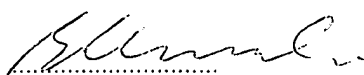
MOTHERDALE LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Goodwill	11		-		15,464
Tangible assets	12		941,625		938,166
Investment properties	13		503,968		-
			<u>1,445,593</u>		<u>953,630</u>
Current assets					
Stocks	16	6,150		1,225	
Debtors	17	269,504		850,849	
Cash at bank and in hand		3,352,879		3,202,196	
		<u>3,628,533</u>		<u>4,054,270</u>	
Creditors: amounts falling due within one year	18	(161,068)		(187,033)	
Net current assets			<u>3,467,465</u>		<u>3,867,237</u>
Total assets less current liabilities			<u>4,913,058</u>		<u>4,820,867</u>
Capital and reserves					
Called up share capital	21		200		200
Profit and loss reserves			4,912,858		4,820,667
Total equity			<u>4,913,058</u>		<u>4,820,867</u>

The financial statements were approved by the board of directors and authorised for issue on 26/3/2021 and are signed on its behalf by:



Mr B Maredia
Director

MOTHERDALE LIMITED

COMPANY BALANCE SHEET

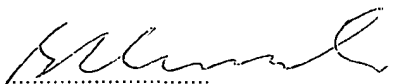
AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12		-		14,300
Investments	14		688,080		688,080
			<u>688,080</u>		<u>702,380</u>
Current assets					
Debtors	17	1,093		4,642	
Cash at bank and in hand		1,482,884		1,649,750	
		<u>1,483,977</u>		<u>1,654,392</u>	
Creditors: amounts falling due within one year	18	(484,653)		(500,329)	
Net current assets			<u>999,324</u>		<u>1,154,063</u>
Total assets less current liabilities			<u>1,687,404</u>		<u>1,856,443</u>
Capital and reserves					
Called up share capital	21		200		200
Profit and loss reserves			1,687,204		1,856,243
Total equity			<u>1,687,404</u>		<u>1,856,443</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 loss for the year was £3,039 (2019 - £295,626 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 26/5/2021 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 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2018		100	4,849,348	4,849,448
Year ended 31 March 2019:				
Profit and total comprehensive income for the year		-	337,883	337,883
Issue of share capital	21	100	-	100
Dividends	10	-	(366,564)	(366,564)
Balance at 31 March 2019		200	4,820,667	4,820,867
Year ended 31 March 2020:				
Profit and total comprehensive income for the year		-	258,191	258,191
Dividends	10	-	(166,000)	(166,000)
Balance at 31 March 2020		200	4,912,858	4,913,058

MOTHERDALE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2018		100	1,927,181	1,927,281
Year ended 31 March 2019:				
Profit and total comprehensive income for the year		-	295,626	295,626
Issue of share capital	21	100	-	100
Dividends	10	-	(366,564)	(366,564)
Balance at 31 March 2019		200	1,856,243	1,856,443
Year ended 31 March 2020:				
Loss and total comprehensive income for the year		-	(3,039)	(3,039)
Dividends	10	-	(166,000)	(166,000)
Balance at 31 March 2020		200	1,687,204	1,687,404

MOTHERDALE LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	23	462,761		419,045	
Interest paid		-		(17,437)	
Income taxes paid		(89,759)		(482,029)	
Net cash inflow/(outflow) from operating activities		373,002		(80,421)	
Investing activities					
Purchase of tangible fixed assets		(80,641)		(13,557)	
Proceeds on disposal of tangible fixed assets		15,250		-	
Purchase of investment property		(503,968)		-	
Receipts arising from loans made		500,000		(604,754)	
Interest received		13,040		17,411	
Net cash used in investing activities		(56,319)		(600,900)	
Financing activities					
Proceeds from issue of shares		-		100	
Repayment of bank loans		-		(113,190)	
Dividends paid to equity shareholders		(166,000)		(366,564)	
Net cash used in financing activities		(166,000)		(479,654)	
Net increase/(decrease) in cash and cash equivalents		150,683		(1,160,975)	
Cash and cash equivalents at beginning of year		3,202,196		4,363,171	
Cash and cash equivalents at end of year		3,352,879		3,202,196	

MOTHERDALE LIMITED

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash absorbed by operations	24		(24,264)		(15,983)
Investing activities					
Proceeds on disposal of tangible fixed assets		15,250		-	
Receipts arising from loans made		-		(100)	
Interest received		8,148		7,511	
Dividends received		-		310,564	
Net cash generated from investing activities			23,398		317,975
Financing activities					
Proceeds from issue of shares		-		100	
Dividends paid to equity shareholders		(166,000)		(366,564)	
Net cash used in financing activities			(166,000)		(366,464)
Net decrease in cash and cash equivalents			(166,866)		(64,472)
Cash and cash equivalents at beginning of year			1,649,750		1,714,222
Cash and cash equivalents at end of year			<u>1,482,884</u>		<u>1,649,750</u>

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £3,039 (2019 - £295,626 profit).

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.

The consolidated group financial statements consist of the financial statements of the parent company Motherdale Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2020. 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

The financial statements have been prepared on a going concern basis. The Directors have reviewed and considered relevant information, including the annual budget, financial forecasts and future cash flows in making their assessment. The Directors have assessed their cash flow forecasts to take into consideration the impact of possible outcomes brought about by Covid-19, together with measures that can be taken to mitigate these impacts. Based on these assessments the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

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.

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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.

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 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

[Property rented to a group entity is accounted for as tangible fixed assets.]

1.8 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.

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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.

1.9 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

1.10 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.

1.11 Cash and cash equivalents

Cash and cash equivalents 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.

1.12 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 2020

1 Accounting policies

(Continued)

1.13 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.

1.14 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.

1.15 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.

1.16 Retirement benefits

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

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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:

	2020 £	2019 £
Turnover analysed by class of business		
Sale of Services	1,702,877	1,786,187

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

3 Turnover and other revenue (Continued)

	2020 £	2019 £
Other significant revenue		
Interest income	13,040	17,411
Grants received	5,360	-
	<u>18,400</u>	<u>17,411</u>
	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	1,702,877	1,786,187
	<u>1,702,877</u>	<u>1,786,187</u>

4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(5,360)	-
Depreciation of owned tangible fixed assets	63,179	55,103
Profit on disposal of tangible fixed assets	(1,248)	-
Amortisation of intangible assets	15,463	18,991
	<u>72,034</u>	<u>74,094</u>

5 Auditor's remuneration

	2020 £	2019 £
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
	<u>4,080</u>	<u>4,080</u>

6 Employees

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

Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
54	55	-	-
<u>54</u>	<u>55</u>	<u>-</u>	<u>-</u>

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

6 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	846,596	815,154	-	-
Social security costs	53,243	49,602	1,993	1,806
Pension costs	71,604	61,906	-	-
	<u>971,443</u>	<u>926,662</u>	<u>1,993</u>	<u>1,806</u>

7 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	13,024	12,115
Other interest income	16	5,296
Total income	<u>13,040</u>	<u>17,411</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>13,024</u>	<u>12,115</u>
--	---------------	---------------

8 Interest payable and similar expenses

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	307
Other interest on financial liabilities	-	5,296
	-	5,603
Other finance costs:		
Other interest	-	11,834
Total finance costs	<u>-</u>	<u>17,437</u>

9 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	67,510	89,531
Adjustments in respect of prior periods	(5,066)	403
Total current tax	<u>62,444</u>	<u>89,934</u>

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

9 Taxation (Continued)

	2020 £	2019 £
Deferred tax		
Origination and reversal of timing differences	9,569	2,290
	<u> </u>	<u> </u>
Total tax charge	<u>72,013</u>	<u>92,224</u>

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

	2020 £	2019 £
Profit before taxation	330,204	430,107
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	62,739	81,720
Tax effect of expenses that are not deductible in determining taxable profit	610	-
Adjustments in respect of prior years	(5,066)	403
Depreciation on assets not qualifying for tax allowances	13,730	10,392
Depreciation	-	(291)
	<u> </u>	<u> </u>
Taxation charge	<u>72,013</u>	<u>92,224</u>

10 Dividends

	2020 £	2019 £
Recognised as distributions to equity holders:		
Interim paid	166,000	366,564
	<u> </u>	<u> </u>

11 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 April 2019 and 31 March 2020	189,912
	<u> </u>
Amortisation and impairment	
At 1 April 2019	174,449
Amortisation charged for the year	15,463
	<u> </u>
At 31 March 2020	189,912
	<u> </u>

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

11 Intangible fixed assets

(Continued)

Carrying amount

At 31 March 2020

-

At 31 March 2019

15,464

12 Tangible fixed assets

Group	Land and buildings Freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2019	1,270,533	347,066	88,175	1,705,774
Additions	-	20,321	60,320	80,641
Disposals	-	-	(42,815)	(42,815)
At 31 March 2020	1,270,533	367,387	105,680	1,743,600
Depreciation and impairment				
At 1 April 2019	468,692	248,654	50,262	767,608
Depreciation charged in the year	29,399	15,013	18,768	63,180
Eliminated in respect of disposals	-	-	(28,813)	(28,813)
At 31 March 2020	498,091	263,667	40,217	801,975
Carrying amount				
At 31 March 2020	772,442	103,720	65,463	941,625
At 31 March 2019	801,841	98,412	37,913	938,166

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

12 Tangible fixed assets

(Continued)

Company	Motor vehicles £
Cost	
At 1 April 2019	42,815
Disposals	(42,815)
At 31 March 2020	-
Depreciation and impairment	
At 1 April 2019	28,515
Depreciation charged in the year	298
Eliminated in respect of disposals	(28,813)
At 31 March 2020	-
Carrying amount	
At 31 March 2020	-
At 31 March 2019	14,300

13 Investment property

	Group 2020 £	Company 2020 £
Fair value		
At 1 April 2019 and 31 March 2020	-	-
Additions through external acquisition	503,968	-
At 31 March 2020	503,968	-

Investment property is comprised of a residential house. The fair value of the investment property has been arrived at by the directors on an open market value basis by reference to market evidence of transaction prices for similar properties.

14 Fixed asset investments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Notes				
Investments in subsidiaries	-	-	688,080	688,080

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

14 Fixed asset investments (Continued)

Movements in fixed asset investments Company

Shares in
group
undertakings
£

Cost or valuation

At 1 April 2019 and 31 March 2020

688,080

Carrying amount

At 31 March 2020

688,080

At 31 March 2019

688,080

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of Undertaking	Registered office	Class of shares held	% held Direct Indirect	
Ideal Care (North) Limited	England and Wales	Ordinary	100.00	

16 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Finished goods and goods for resale	6,150	1,225	-	-

17 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	100,867	174,289	-	-
Other debtors	146,012	643,934	1,093	300
Prepayments and accrued income	3,899	4,331	-	-
	250,778	822,554	1,093	300
Deferred tax asset (note 19)	18,726	28,295	-	4,342
	269,504	850,849	1,093	4,642

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

18 Creditors: amounts falling due within one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Trade creditors	46,929	22,670	-	-
Amounts owed to group undertakings	-	-	480,267	495,517
Corporation tax payable	67,510	94,826	-	-
Other taxation and social security	10,133	43,267	-	-
Other creditors	30,451	19,943	-	-
Accruals and deferred income	6,045	6,327	4,386	4,812
	<u>161,068</u>	<u>187,033</u>	<u>484,653</u>	<u>500,329</u>

19 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 2020 £	Assets 2019 £
Accelerated capital allowances	<u>18,726</u>	<u>28,295</u>
Company	Assets 2020 £	Assets 2019 £
Accelerated capital allowances	<u>-</u>	<u>4,342</u>
Movements in the year:	Group 2020 £	Company 2020 £
Asset at 1 April 2019	(28,295)	(4,342)
Charge to profit or loss	<u>9,569</u>	<u>4,342</u>
Asset at 31 March 2020	<u>(18,726)</u>	<u>-</u>

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

20 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	71,604	61,906

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.

21 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100
Ordinary A shares of £1 each	100	100	100	100
	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

22 Directors' transactions

Interest free loans have been granted by the group to its directors as follows:

Dividends totalling £166,000 (2019 - £166,564) were paid in the year in respect of shares held by the company's directors.

Description	% Rate	Opening balance £	Amounts repaid £	Closing balance £
Loan	-	604,754	(500,000)	104,754
		<u>604,754</u>	<u>(500,000)</u>	<u>104,754</u>

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

23 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	258,191	337,883
Adjustments for:		
Taxation charged	72,013	92,224
Finance costs	-	17,437
Investment income	(13,040)	(17,411)
Gain on disposal of tangible fixed assets	(1,248)	-
Amortisation and impairment of intangible assets	15,463	18,991
Depreciation and impairment of tangible fixed assets	63,180	55,103
Movements in working capital:		
Increase in stocks	(4,925)	-
Decrease/(increase) in debtors	71,776	(110,080)
Increase in creditors	1,351	24,898
Cash generated from operations	462,761	419,045

24 Cash absorbed by operations - company

	2020 £	2019 £
(Loss)/profit for the year after tax	(3,039)	295,626
Adjustments for:		
Taxation charged/(credited)	4,342	(291)
Investment income	(8,148)	(318,075)
Gain on disposal of tangible fixed assets	(1,248)	-
Depreciation and impairment of tangible fixed assets	298	4,766
Movements in working capital:		
Increase in debtors	(793)	(200)
(Decrease)/increase in creditors	(15,676)	2,191
Cash absorbed by operations	(24,264)	(15,983)

25 Analysis of changes in net funds - group

	1 April 2019 £	Cash flows £	31 March 2020 £
Cash at bank and in hand	3,202,196	150,683	3,352,879

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

26 Analysis of changes in net funds - company

	1 April 2019	Cash flows	31 March 2020
	£	£	£
Cash at bank and in hand	1,649,750	(166,866)	1,482,884
	<u> </u>	<u> </u>	<u> </u>