

Company Registration No. 04417618 (England and Wales)

MACNEIL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

MACNEIL LIMITED

COMPANY INFORMATION

Directors	Mr N J Lukka Mr B N Lukka
Secretary	Mrs A N Lukka
Company number	04417618
Registered office	1st Floor, Macneil House 407 Nether Street Finchley Central London N3 1QG
Auditor	HW Fisher LLP Acre House 11-15 William Road London NW1 3ER United Kingdom
Bankers	Royal Bank of Scotland 5-10 Great Tower Street London EC3P 3HX Handelsbanken plc 2nd Floor Halthaway House Popes Drive Finchley Central London N3 1QF

MACNEIL LIMITED

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MACNEIL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2021

The directors present the strategic report for the year ended 30 November 2021.

Fair review of the business

The group made a pre-tax profit of £3,009,591 (2020: £2,460,313) for the year on a turnover of £6,673,020 (2020: £6,394,228). At 30 November 2021 the group had net assets of £24,910,094 (2020: £23,059,551). Both the level of business and the year end financial position were as expected in the light of current trading conditions and the directors do not anticipate any material changes in the present level of activity.

Principal risks and uncertainties

The directors recognise that within the business there are a number of risks which may affect the performance of the group. These risks are subject to regular review and, where appropriate, processes are established to minimise the level of exposure.

Regulatory - the group's nursing home business is regulated by the Care Quality Commission and is exposed to adverse findings that the Commission may raise. The group ensures that the nursing home is run to a high standard and to-date no such adverse findings have been reported.

Financial risk - the company is exposed to financial risk through its assets and liabilities. The key financial risk is that, in the current climate, the proceeds from its assets may not be sufficient to fund the obligations from liabilities as they fall due. The most important components of financial risk are:

- 1) Credit risk - the group continues to minimise commercial credit risk and has not suffered unduly from bad debts.
- 2) Interest rate risk - the group's borrowings are on a variable rate basis and the group is exposed to potential increases in interest rates. The group continues to monitor its interest obligations and its investment portfolio to ensure that future increases in interest rates will not unduly affect the performance of the business.

Key performance indicators

1) Investment property

In the opinion of the directors, individual property rentals are considered the key performance indicator when assessing business performance, which are reviewed monthly by the management team and have remained in line with the directors' expectations, in the current climate.

2) Care home

In the opinion of the directors, occupancy percentage and average fee per resident are considered key performance indicators when assessing business performance and are reviewed monthly by the management team, with both having remained in line with the directors' expectations, in the current climate.

EBITDA is also considered a key performance indicator and is reviewed on a monthly basis, by the management team.

On behalf of the board

Mr N J Lukka

Director

13 September 2022

MACNEIL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2021

The directors present their annual report and financial statements for the year ended 30 November 2021.

Principal activities

The principal activity of the company continues to be that of property investment and development. In addition a significant activity of the group includes the provision of nursing home facilities for the elderly.

Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

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

Mr N J Lukka

Mr B N Lukka

Auditor

The auditor, HW Fisher LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 N J Lukka

Director

13 September 2022

MACNEIL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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.

MACNEIL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MACNEIL LIMITED

Opinion

We have audited the financial statements of Macneil Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2021 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 and notes to the financial statements, including 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 30 November 2021 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

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 group's and parent 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 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 contained within the annual report. 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. 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 course of 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 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.

MACNEIL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MACNEIL LIMITED

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The company did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: FRS 102, Companies Act 2006 and CQC compliance.
- We considered the incentives and opportunities that exist in the company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the company, together with the discussions held with the company at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to property valuations.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key revenue lines, in particular cut-off, for evidence of management bias.
- Verifying the existence of key assets.
- Obtaining third-party confirmation of material bank and loan balances.
- Documenting and verifying all significant related party balances and transactions.
- Testing all material consolidation adjustments.

MACNEIL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MACNEIL LIMITED

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the directors.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Darshna Choudhury (Senior Statutory Auditor)

For and on behalf of HW Fisher LLP

Chartered Accountants

Statutory Auditor

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

13 September 2022

MACNEIL LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 NOVEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	6,673,020	6,394,228
Cost of sales		(3,275,240)	(3,046,210)
Gross profit		3,397,780	3,348,018
Administrative expenses		(667,282)	(857,177)
Other operating income		274,442	168,274
Operating profit	4	3,004,940	2,659,115
Interest receivable and similar income	8	1,023	2,254
Interest payable and similar expenses	9	(183,802)	(201,056)
Fair value gains and losses on investment properties	10	187,430	-
Profit before taxation		3,009,591	2,460,313
Tax on profit	11	(754,047)	(520,978)
Profit for the financial year	23	2,255,544	1,939,335
Other comprehensive income			
Revaluation of tangible fixed assets		-	6,786,178
Tax relating to other comprehensive income		(405,001)	(1,315,763)
Total comprehensive income for the year		1,850,543	7,409,750

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 statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

MACNEIL LIMITED

GROUP BALANCE SHEET

AS AT 30 NOVEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12	17,029,115		17,300,497	
Investment properties	13	24,475,245		25,590,197	
		41,504,360		42,890,694	
Current assets					
Debtors	16	8,770,481		5,558,218	
Cash at bank and in hand		2,198,483		1,403,952	
		10,968,964		6,962,170	
Creditors: amounts falling due within one year	17	(1,903,552)		(3,079,171)	
Net current assets		9,065,412		3,882,999	
Total assets less current liabilities		50,569,772		46,773,693	
Creditors: amounts falling due after more than one year	18	(23,073,885)		(21,726,794)	
Provisions for liabilities	19	(2,585,793)		(1,987,348)	
Net assets		24,910,094		23,059,551	
Capital and reserves					
Called up share capital	22	100		100	
Revaluation reserve		10,376,992		10,945,426	
Profit and loss reserves	23	14,533,002		12,114,025	
Total equity		24,910,094		23,059,551	

The financial statements were approved by the board of directors and authorised for issue on 13 September 2022 and are signed on its behalf by:

Mr N J Lukka
Director

MACNEIL LIMITED

COMPANY BALANCE SHEET

AS AT 30 NOVEMBER 2021

		2021	2020
	Notes	£	£
Fixed assets			
Tangible assets	12	238,793	281,660
Investment properties	13	24,475,245	25,590,197
Investments	14	200	200
		<u>24,714,238</u>	<u>25,872,057</u>
Current assets			
Debtors	16	7,033,458	6,484,986
Cash at bank and in hand		1,369,095	133,265
		<u>8,402,553</u>	<u>6,618,251</u>
Creditors: amounts falling due within one year	17	(911,819)	(2,137,774)
Net current assets		<u>7,490,734</u>	<u>4,480,477</u>
Total assets less current liabilities		<u>32,204,972</u>	<u>30,352,534</u>
Creditors: amounts falling due after more than one year	18	(21,350,794)	(20,681,349)
Provisions for liabilities	19	(207,417)	(121,699)
Net assets		<u>10,646,761</u>	<u>9,549,486</u>
Capital and reserves			
Called up share capital	22	100	100
Profit and loss reserves	23	10,646,661	9,549,386
Total equity		<u>10,646,761</u>	<u>9,549,486</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 £1,097,275 (2020 - £535,234 profit).

The financial statements were approved by the board of directors and authorised for issue on 13 September 2022 and are signed on its behalf by:

Mr N J Lukka
Director

Company Registration No. 04417618

MACNEIL LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2021

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 December 2019	100	5,522,427	10,127,274	15,649,801
Year ended 30 November 2020:				
Profit for the year	-	-	1,939,335	1,939,335
Other comprehensive income:				
Revaluation of tangible fixed assets	-	6,786,178	-	6,786,178
Tax relating to other comprehensive income	-	(1,315,763)	-	(1,315,763)
Total comprehensive income for the year	-	5,470,415	1,939,335	7,409,750
Transfers	-	(47,416)	47,416	-
Balance at 30 November 2020	100	10,945,426	12,114,025	23,059,551
Year ended 30 November 2021:				
Profit for the year	-	-	2,255,544	2,255,544
Other comprehensive income:				
Tax relating to other comprehensive income	-	(405,001)	-	(405,001)
Total comprehensive income for the year	-	(405,001)	2,255,544	1,850,543
Transfers	-	(163,433)	163,433	-
Balance at 30 November 2021	100	10,376,992	14,533,002	24,910,094

MACNEIL LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 December 2019	100	9,014,152	9,014,252
Year ended 30 November 2020:			
Profit and total comprehensive income for the year	-	535,234	535,234
Balance at 30 November 2020	100	9,549,386	9,549,486
Year ended 30 November 2021:			
Profit and total comprehensive income for the year	-	1,097,275	1,097,275
Balance at 30 November 2021	100	10,646,661	10,646,761

MACNEIL LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	27		2,008,137		(1,018,100)
Interest paid			(183,802)		(201,056)
Income taxes paid			(499,319)		(469,529)
Net cash inflow/(outflow) from operating activities			1,325,016		(1,688,685)
Investing activities					
Purchase of tangible fixed assets		(167,673)		(47,857)	
Purchase of investment property		(26,058)		(1,502,767)	
Proceeds on disposal of investment property		1,510,265		-	
Interest received		1,023		2,254	
Net cash generated from/(used in) investing activities			1,317,557		(1,548,370)
Financing activities					
Proceeds of new bank loans		-		3,050,000	
Repayment of bank loans		(1,848,042)		(744,705)	
Net cash (used in)/generated from financing activities			(1,848,042)		2,305,295
Net increase/(decrease) in cash and cash equivalents			794,531		(931,760)
Cash and cash equivalents at beginning of year			1,403,952		2,335,712
Cash and cash equivalents at end of year			2,198,483		1,403,952

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2021

1 Accounting policies

Company information

Macneil Limited ("the company") is a private limited company incorporated by shares in England and Wales. The registered office is 1st Floor, Macneil House, 407 Nether Street, Finchley Central, London, N3 1QG

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

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 on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties at fair value. 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 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': 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 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Macneil 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 30 November 2021. 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 directors have considered the effect of the Covid-19 pandemic. As the group operates in the care and investment property sectors, the pandemic has caused some disruption to the group's business. However with tighter operational controls, including rent holidays, accompanied by various government grants and financial assistance, the directors have been able to mitigate the Covid-19 impact on the business such that it has continued to trade and generate positive cash flows.

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

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

1 Accounting policies (Continued)

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes, where relevant.

Revenue for the provision of nursing home services is recognised by reference to the occupation and use of the facilities of the nursing home.

Revenue from rental receipts is recognised on an accruals basis and arises from the group's investment properties.

1.5 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 provided on all tangible fixed assets, other than investment properties and freehold land at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% straight line (excluding freehold land)
Fixtures, fittings & equipment	15% reducing balance

The excess depreciation between revalued land and buildings and historical cost is transferred between the profit and loss reserve and revaluation reserve.

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.

1.6 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. The surplus or deficit on revaluation is recognised in profit or loss.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

1 Accounting policies

(Continued)

1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

1 Accounting policies

(Continued)

1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

1.13 Retirement benefits

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.15 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.

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.

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

2 Judgements and key sources of estimation uncertainty

(Continued)

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.

Valuation of land and buildings

The group carries its property used in the business at fair value, with changes in fair value being recognised through other comprehensive income. The group has consulted with external valuers to ascertain the fair value of the land and buildings. The valuation of the group's land and buildings is inherently subjective due to, among other factors, the individual nature, location and condition of the nursing home premises. The land element of the land and buildings is also a subjective judgement. As a result the valuation is subject to a degree of uncertainty.

The most recent valuation took place in January 2021 and is reflected in the prior financial statements. At 30 November 2021 the directors believe that the carrying amount of land and buildings correctly reflect their fair value. As the directors believe that the care home valuation would be materially in line with the market value at the year-end date.

Deferred tax has been recognised on revalued property, based on the estimated fair value at the year end date.

Valuation of investment properties

The directors have assessed the fair value of investment properties at year end. In determining the fair value of the investment properties, the directors made use of historical and current market data, as well as existing lease agreements and third party valuations. The valuation of the company's investment properties is inherently subjective due to, among other factors, the individual nature, location and condition of the properties. As a result the valuation is subject to a degree of uncertainty.

Related party debtors

Included in the accounts are amounts due from companies under the control of Mr N J Lukka and members of his close family. The directors have considered the quality and performance of the underlying assets and deemed these amounts to be recoverable and not impaired.

3 Turnover and other revenue

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

	2021	2020
	£	£
Turnover analysed by class of business		
Nursing home fees	5,306,446	5,156,031
Rental income	1,366,574	1,238,197
	<u>6,673,020</u>	<u>6,394,228</u>
	2021	2020
	£	£
Other significant revenue		
Interest income	1,023	2,254
Grants received	208,212	160,041
	<u></u>	<u></u>

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

4	Operating profit	2021	2020
		£	£
	Operating profit for the year is stated after charging/(crediting):		
	Government grants	(208,212)	(160,041)
	Depreciation of owned tangible fixed assets	432,396	337,802
	Profit on disposal of investment property	(175,166)	-
	Operating lease charges	20,736	8,521
		<u> </u>	<u> </u>
5	Auditor's remuneration	2021	2020
		£	£
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the group and company	8,000	7,200
	Audit of the financial statements of the company's subsidiaries	8,496	5,505
		<u> </u>	<u> </u>
		16,496	12,705
		<u> </u>	<u> </u>
6	Employees		
	The average monthly number of persons (including directors) employed by the group and company during the year was:		
		2021	2020
		Number	Number
	Administration and care staff	125	126
		<u> </u>	<u> </u>
	Their aggregate remuneration comprised:		
		2021	2020
		£	£
	Wages and salaries	2,715,755	2,531,290
	Social security costs	239,923	221,526
	Pension costs	51,434	49,608
		<u> </u>	<u> </u>
		3,007,112	2,802,424
		<u> </u>	<u> </u>
7	Directors' remuneration	2021	2020
		£	£
	Remuneration for qualifying services	26,000	26,000
		<u> </u>	<u> </u>

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

8	Interest receivable and similar income	2021	2020
		£	£
	Interest income		
	Interest receivable from companies under common control	-	752
	Other interest income	1,023	1,502
		<u>1,023</u>	<u>2,254</u>
	Total income	1,023	2,254
		<u><u>1,023</u></u>	<u><u>2,254</u></u>
9	Interest payable and similar expenses	2021	2020
		£	£
	Interest on bank overdrafts and loans	182,791	199,433
	Other interest	1,011	1,623
		<u>183,802</u>	<u>201,056</u>
	Total finance costs	183,802	201,056
		<u><u>183,802</u></u>	<u><u>201,056</u></u>
10	Fair value gains and losses on investment properties	2021	2020
		£	£
	Changes in the fair value of investment properties	187,430	-
		<u>187,430</u>	<u>-</u>
11	Taxation	2021	2020
		£	£
	UK corporation tax on profits for the current period	560,603	510,330
		<u>560,603</u>	<u>510,330</u>
	Deferred tax		
	Origination and reversal of timing differences	193,444	10,648
		<u>193,444</u>	<u>10,648</u>
	Total tax charge	754,047	520,978
		<u><u>754,047</u></u>	<u><u>520,978</u></u>

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

11 Taxation

(Continued)

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:

	2021 £	2020 £
Profit before taxation	3,009,591	2,460,313
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	571,822	467,459
Tax effect of expenses that are not deductible in determining taxable profit	(624)	1,814
Effect of revaluations of investments	(35,612)	-
Other non-reversing timing differences	(1,530)	-
Deferred tax movements	193,444	10,648
Depreciation add back	42,963	57,314
Capital allowances	(18,145)	(16,257)
Qualifying donations	1,729	-
Tax expense for the year	754,047	520,978

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2021 £	2020 £
Deferred tax arising on:		
Revaluation of property	405,001	1,315,763

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

12 Tangible fixed assets

Group	Land and buildings Freehold	Fixtures, fittings & equipment	Total
	£	£	£
Cost or valuation			
At 1 December 2020	16,459,893	2,221,081	18,680,974
Additions	117,051	50,622	167,673
Disposals	-	(28,752)	(28,752)
At 30 November 2021	16,576,944	2,242,951	18,819,895
Depreciation and impairment			
At 1 December 2020	-	1,380,477	1,380,477
Depreciation charged in the year	307,825	124,571	432,396
Eliminated in respect of disposals	-	(22,093)	(22,093)
At 30 November 2021	307,825	1,482,955	1,790,780
Carrying amount			
At 30 November 2021	16,269,119	759,996	17,029,115
At 30 November 2020	16,459,893	840,604	17,300,497
Company		Fixtures, fittings & equipment	
		£	
Cost or valuation			
At 1 December 2020		1,087,016	
Additions		6,019	
Disposals		(28,752)	
At 30 November 2021		1,064,283	
Depreciation and impairment			
At 1 December 2020		805,356	
Depreciation charged in the year		42,227	
Eliminated in respect of disposals		(22,093)	
At 30 November 2021		825,490	
Carrying amount			
At 30 November 2021		238,793	
At 30 November 2020		281,660	

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

12 Tangible fixed assets

(Continued)

The carrying value of land and buildings was revalued as at 30 November 2020. The revaluation is based on a valuation report prepared on 7 January 2021 by a third party RICS certified property consultant. Their valuation is based on the special assumption that the land and buildings are fully equipped as operational entities and valued having regard to trading potential, as at the date of valuation. As at 30 November 2021 the directors believe that the carrying amount of land and buildings correctly reflect their fair value.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been: £4,090,710 (2020: £4,069,325), being cost of £5,130,883 (2020: £5,013,832) and depreciation of £1,040,173 (2020: £944,507).

13 Investment property

	Group 2021 £	Company 2021 £
Fair value		
At 1 December 2020	25,590,197	25,590,197
Additions	26,058	26,058
Disposals	(1,328,440)	(1,328,440)
Net gains or losses through fair value adjustments	187,430	187,430
	<u>24,475,245</u>	<u>24,475,245</u>
At 30 November 2021	<u>24,475,245</u>	<u>24,475,245</u>

At 30 November 2021, the comparable historic cost of investment properties included at valuation was £21,280,988 (2020: £22,574,429).

The directors have assessed the fair value of investment properties at year end. In determining the fair value of the investment properties, the directors made use of historical and current market data, as well as existing lease agreements and third party valuations by a third party RICS certified property consultant.

14 Fixed asset investments

		Group 2021 £	2020 £	Company 2021 £	2020 £
	Notes				
Investments in subsidiaries	15	-	-	200	200
		<u>-</u>	<u>-</u>	<u>200</u>	<u>200</u>

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

14 Fixed asset investments (Continued)

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 December 2020 and 30 November 2021	200
Carrying amount	
At 30 November 2021	200
At 30 November 2020	200

15 Subsidiaries

Details of the company's subsidiaries at 30 November 2021 are as follows:

Name of undertaking	Address	Class of shares held	% Held Direct
Lukka Care Homes (2010) Ltd	1	Ordinary	100.00
Macneil Properties Ltd	1	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

1 1st Floor Macneil House, 107 Nether Street, Finchley Central, London, N3 1QG

The outstanding liabilities at the balance sheet date of Macneil Properties Ltd, one of the company's subsidiary undertakings, have been guaranteed by Macneil Limited pursuant to s479A to s479C of the Companies Act 2006.

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

16 Debtors					
		Group		Company	
		2021	2020	2021	2020
		£	£	£	£
Amounts falling due within one year:					
Trade debtors		675,526	644,276	31,662	60,991
Other debtors		5,720,050	3,713,316	-	2,430
Prepayments and accrued income		80,511	77,986	38,071	37,204
		<u>6,476,087</u>	<u>4,435,578</u>	<u>69,733</u>	<u>100,625</u>
Amounts falling due after more than one year:					
Amounts owed by group undertakings		-	-	5,532,473	5,462,473
Amount owed by companies under common control		1,374,306	202,552	511,164	1,800
Other debtors		920,088	920,088	920,088	920,088
		<u>2,294,394</u>	<u>1,122,640</u>	<u>6,963,725</u>	<u>6,384,361</u>
Total debtors		<u><u>8,770,481</u></u>	<u><u>5,558,218</u></u>	<u><u>7,033,458</u></u>	<u><u>6,484,986</u></u>
17 Creditors: amounts falling due within one year					
		Group		Company	
		2021	2020	2021	2020
		£	£	£	£
	Notes				
Bank loans	19	664,211	1,907,367	488,381	1,735,574
Trade creditors		109,605	75,072	19,512	7,387
Corporation tax payable		409,093	347,809	144,434	73,003
Other taxation and social security		120,664	149,088	56,575	92,194
Other creditors		417,877	383,473	81,288	84,104
Accruals and deferred income		182,102	216,362	121,629	145,512
		<u>1,903,552</u>	<u>3,079,171</u>	<u>911,819</u>	<u>2,137,774</u>
18 Creditors: amounts falling due after more than one year					
		Group		Company	
		2021	2020	2021	2020
		£	£	£	£
	Notes				
Bank loans and overdrafts	19	6,325,066	6,929,952	3,765,784	4,196,339
Amounts due to group undertakings		-	-	41,151	41,151
Amounts due to companies under common control		16,748,819	14,796,842	17,543,859	16,443,859
		<u>23,073,885</u>	<u>21,726,794</u>	<u>21,350,794</u>	<u>20,681,349</u>

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

19 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	6,989,277	8,837,319	4,254,165	5,931,913
Payable within one year	664,211	1,907,367	488,381	1,735,574
Payable after one year	6,325,066	6,929,952	3,765,784	4,196,339
	6,989,277	8,837,319	4,254,165	5,931,913
Amounts included above which fall due after five years:				
Payable by instalments	2,244,406	1,745,144	2,244,406	1,745,144

Included within bank loans is £842,546 repayable on a monthly basis and subject to interest of base rate + 3%; £193,339 repayable on a monthly basis and subject to interest of base rate + 2.75%; £38,203 repayable on a monthly basis and subject to interest of base rate + 1.25%; £216,079 repayable on a monthly basis and subject to interest of base rate + 1.4%; £2,918,154 repayable on a monthly basis and subject to interest of LIBOR rate + 1.87%; £2,735,112 repayable on a monthly basis and subject to interest of base rate + 2.25%; and £45,843 repayable on a monthly basis and subject to interest of 2.5%.

Bank loans are secured by a legal charge over the assets of the company, as well as by a cross-guarantee given by the other companies under common control of the shareholders amounting to £9,461,794 along with a guarantee of £600,000 from N J Lukka.

There is a second tier fixed and floating charge over the assets of the company.

20 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	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	31,776	26,763
Short term timing differences	(1,161)	(856)
Revaluations	2,036,413	1,631,412
Investment property	203,127	115,395
Deferred tax arising on held over gains from transfer of land and buildings	315,638	214,634
	2,585,793	1,987,348

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

20 Deferred taxation		(Continued)	
		Liabilities	Liabilities
		2021	2020
Company		£	£
Accelerated capital allowances		4,315	6,321
Tax losses		(25)	(17)
Investment property		203,127	115,395
		<u>207,417</u>	<u>121,699</u>
		Group	Company
		2021	2021
		£	£
Movements in the year:			
Liability at 1 December 2020		1,987,348	121,699
Charge to profit or loss		193,444	85,718
Charge to other comprehensive income		405,001	-
		<u>2,585,793</u>	<u>207,417</u>
Liability at 30 November 2021			

Deferred tax is based on the future expected rate of corporation tax of 25% (2019: 19%)

21 Retirement benefit schemes		2021	2020
		£	£
Defined contribution schemes			
Charge to profit or loss in respect of defined contribution schemes		51,434	49,608

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.

22 Share capital		2021	2020	2021	2020
		Number	Number	£	£
Ordinary share capital					
Issued and fully paid					
Ordinary shares of £1 each		100	100	100	100

23 Reserves		
Profit and loss reserves		
Profit and loss reserves include £2,991,130 (2020: £2,900,373) in respect of unrealised gains arising on investment properties.		

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

24 Operating lease commitments

Lessee

At the reporting end date the group and the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	17,280	17,280	17,280	17,280
Between two and five years	27,506	44,786	27,506	44,786
	<u>44,786</u>	<u>62,066</u>	<u>44,786</u>	<u>62,066</u>

Lessor

The group's operating leasing arrangements as a lessor arise in respect of its investment properties which are held for rental purposes.

At the reporting end date the group and the company had contracted with tenants for the following minimum lease payments:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	1,234,001	919,317	1,220,089	1,167,317
Between two and five years	2,021,582	1,234,730	2,656,879	2,226,730
In over five years	3,412,138	1,139,014	6,411,382	5,318,159
	<u>6,667,721</u>	<u>3,293,061</u>	<u>10,288,350</u>	<u>8,712,206</u>

25 Events after the reporting date

Post year end the company sold an investment property for £1,350,000.

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

26 Related party transactions

Transactions with related parties

At 30 November 2021 the group was owed £1,374,306, by companies under common control (2020: £202,552). During the year, the group charged interest of £nil on this balance (2020: £752).

At 30 November 2021 the group owed £16,748,819 to companies under common control (2020: £14,796,842). During the year, the group was charged interest of £nil on this balance (2020: £nil).

All of the above companies are related parties by virtue of the significant interest in the share capital of each by Mr N J Lukka and members of his close family, and the balances arose from loans made to/received from the above companies.

The assets of the group are subject to a cross-guarantee given in relation to the borrowings of other companies under the control of the shareholders.

At 30 November 2021 the group was owed £nil (2020: £836) by a close family member of Mr N J Lukka. During the year, the group received interest of £798 (2020: £836) from the close family member.

During the year the company made payments of £6,416 (2020: £11,666) on behalf of Mr N J Lukka which was repaid from available credits on his loan account.

At the year end the group owed £10,974 to Mr N J Lukka (2020: £17,390).

At the year end the group was owed £2,910,050 (2020: £1,610,050) by BNJ Investments Limited, a company owned by Mr B N Lukka, a director of the company. The group charged no interest on this loan in the current period.

At the year end the group was owed £2,810,000 (2020: £2,100,000) by RZV Group Limited, a company jointly owned by Mrs S N Vithlani, daughter of Mr N J Lukka, and her spouse Mr J Vithlani. The group charged no interest on this loan in the current period. During the year, an investment property was sold to RZV Group Limited at market value of £725,000.

At the year end the group was owed £920,088 (2020: £920,088) by Radia Estates Limited, a company over which Mr N J Lukka is a director. No interest was charged on this balance.

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

27 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	2,255,544	1,939,335
Adjustments for:		
Taxation charged	754,047	520,978
Finance costs	183,802	201,056
Investment income	(1,023)	(2,254)
Gain on disposal of tangible fixed assets	(175,166)	-
Depreciation and impairment of tangible fixed assets	432,396	337,802
Changes in the fair value of investment properties	(187,430)	-
Movements in working capital:		
(Increase) in debtors	(3,212,263)	(3,345,493)
Increase/(decrease) in creditors	1,958,230	(669,524)
Cash generated from/(absorbed by) operations	2,008,137	(1,018,100)

28 Analysis of changes in net debt - group

	1 December 2020 £	Cash flows 30 November 2021 £	
Cash at bank and in hand	1,403,952	794,531	2,198,483
Borrowings excluding overdrafts	(8,837,319)	1,848,042	(6,989,277)
	<u>(7,433,367)</u>	<u>2,642,573</u>	<u>(4,790,794)</u>

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.