

Company Registration No. 04417618 (England and Wales)

MACNEIL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2023

MACNEIL LIMITED

COMPANY INFORMATION

Directors	Mr N J Lukka Mr B N Lukka
Secretary	Mrs A N Lukka
Company number	04417618
Registered office	Macneil House 9-17 Lodge Lane London N12 8JH
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 Hathaway House Popes Drive Finchley Central London N3 1QF

MACNEIL LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 6
Group statement of comprehensive income	7
Group balance sheet	8
Company balance sheet	9
Group statement of changes in equity	10
Company statement of changes in equity	11
Group statement of cash flows	12
Notes to the financial statements	13 - 29

MACNEIL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2023

The directors present the strategic report for the year ended 30 November 2023.

Fair review of the business

The group made a pre-tax profit of £2,187,889 (2022: £3,766,706) for the year on a turnover of £7,490,341 (2022: £7,112,245). At 30 November 2023 the group had net assets of £29,583,309 (2022: £27,876,679). 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

29 August 2024

MACNEIL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2023

The directors present their annual report and financial statements for the year ended 30 November 2023.

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

29 August 2024

MACNEIL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2023

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 2023 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 2023 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.

Gilles Siow (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

29 August 2024

MACNEIL LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 NOVEMBER 2023

	Notes	2023 £	2022 £
Turnover	3	7,490,341	7,112,245
Cost of sales		(3,755,050)	(3,437,173)
Gross profit		3,735,291	3,675,072
Administrative expenses		(1,056,578)	(1,014,136)
Other operating income		17,410	74,740
Operating profit	4	2,696,123	2,735,676
Interest receivable and similar income	8	40,392	-
Interest payable and similar expenses	9	(548,626)	(243,499)
Fair value gains and losses on investment properties	10	-	1,274,529
Profit before taxation		2,187,889	3,766,706
Tax on profit	11	(481,259)	(881,051)
Profit for the financial year	24	1,706,630	2,885,655
Other comprehensive income			
Tax relating to other comprehensive income		-	80,930
Total comprehensive income for the year		1,706,630	2,966,585

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 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	12	16,438,505		16,675,695	
Investment properties	13	23,909,331		24,402,915	
		<u>40,347,836</u>		<u>41,078,610</u>	
Current assets					
Debtors	16	11,350,230		11,064,223	
Cash at bank and in hand		1,086,751		5,093,173	
		<u>12,436,981</u>		<u>16,157,396</u>	
Creditors: amounts falling due within one year	17	<u>(12,989,356)</u>		<u>(18,663,081)</u>	
Net current liabilities			(552,375)		(2,505,685)
Total assets less current liabilities			<u>39,795,461</u>		<u>38,572,925</u>
Creditors: amounts falling due after more than one year	18		(7,438,636)		(7,846,994)
Provisions for liabilities	21		<u>(2,773,516)</u>		<u>(2,849,252)</u>
Net assets			<u>29,583,309</u>		<u>27,876,679</u>
Capital and reserves					
Called up share capital	23		100		100
Revaluation reserve			10,131,057		10,294,490
Profit and loss reserves	24		<u>19,452,152</u>		<u>17,582,089</u>
Total equity			<u>29,583,309</u>		<u>27,876,679</u>

The financial statements were approved by the board of directors and authorised for issue on 29 August 2024 and are signed on its behalf by:

Mr N J Lukka
Director

MACNEIL LIMITED

COMPANY BALANCE SHEET

AS AT 30 NOVEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		180,822		210,618
Investment properties	13		23,909,331		24,402,915
Investments	14		200		200
			<u>24,090,353</u>		<u>24,613,733</u>
Current assets					
Debtors	16	3,117,863		5,801,133	
Cash at bank and in hand		406,910		3,436,896	
		<u>3,524,773</u>		<u>9,238,029</u>	
Creditors: amounts falling due within one year	17	(11,630,300)		(18,238,981)	
Net current liabilities			(8,105,527)		(9,000,952)
Total assets less current liabilities			<u>15,984,826</u>		<u>15,612,781</u>
Creditors: amounts falling due after more than one year	18		(2,504,468)		(2,724,144)
Provisions for liabilities	21		(504,196)		(548,412)
Net assets			<u>12,976,162</u>		<u>12,340,225</u>
Capital and reserves					
Called up share capital	23		100		100
Profit and loss reserves	24		12,976,062		12,340,125
Total equity			<u>12,976,162</u>		<u>12,340,225</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 £635,937 (2022 - £1,693,464 profit).

The financial statements were approved by the board of directors and authorised for issue on 29 August 2024 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 2023

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 December 2021	100	10,376,992	14,533,002	24,910,094
Year ended 30 November 2022:				
Profit for the year	-	-	2,885,655	2,885,655
Other comprehensive income:				
Tax relating to other comprehensive income	-	80,930	-	80,930
Total comprehensive income for the year	-	80,930	2,885,655	2,966,585
Transfers	-	(163,432)	163,432	-
Balance at 30 November 2022	100	10,294,490	17,582,089	27,876,679
Year ended 30 November 2023:				
Profit and total comprehensive income for the year	-	-	1,706,630	1,706,630
Transfers	-	(163,433)	163,433	-
Balance at 30 November 2023	100	10,131,057	19,452,152	29,583,309

MACNEIL LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2023

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 December 2021	100	10,646,661	10,646,761
Year ended 30 November 2022:			
Profit and total comprehensive income for the year	-	1,693,464	1,693,464
Balance at 30 November 2022	100	12,340,125	12,340,225
Year ended 30 November 2023:			
Profit and total comprehensive income for the year	-	635,937	635,937
Balance at 30 November 2023	100	12,976,062	12,976,162

MACNEIL LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2023

		2023	2022
	Notes	£	£
Cash flows from operating activities			
Cash (absorbed by)/generated from operations	27	(2,663,543)	1,127,926
Interest paid		(548,626)	(243,499)
Income taxes paid		(637,681)	(608,631)
Net cash (outflow)/inflow from operating activities		(3,849,850)	275,796
Investing activities			
Purchase of tangible fixed assets		(208,191)	(79,898)
Proceeds on disposal of tangible fixed assets		(19,652)	(27,785)
Purchase of investment property		-	(3,141)
Proceeds on disposal of investment property		493,584	1,350,000
Loans made		-	(40,316)
Receipts arising from loans made		40,316	-
Interest received		40,392	-
Net cash generated from investing activities		346,449	1,198,860
Financing activities			
Proceeds of new bank loans		-	5,709,154
Repayment of bank loans		(573,238)	(4,289,120)
Payment of finance leases obligations		70,217	-
Net cash (used in)/generated from financing activities		(503,021)	1,420,034
Net (decrease)/increase in cash and cash equivalents		(4,006,422)	2,894,690
Cash and cash equivalents at beginning of year		5,093,173	2,198,483
Cash and cash equivalents at end of year		1,086,751	5,093,173

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2023

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 Macneil House, 9-17 Lodge Lane, London, N12 8JH.

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 2023. 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 on-going 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, 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 2023

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
Leasehold improvement	Over the term of the lease

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 2023

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 2023

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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2023

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.

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 external valuation took place in January 2021 and was reflected in the 2020 financial statements. Since then the Directors have assessed the market value of the property each year and deem the net book value to 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:

	2023	2022
	£	£
Turnover analysed by class of business		
Nursing home fees	5,994,698	5,655,299
Rental income	1,495,643	1,456,946
	<u>7,490,341</u>	<u>7,112,245</u>

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2023

3	Turnover and other revenue	(Continued)	
		2023	2022
		£	£
	Other significant revenue		
	Interest income	40,392	-
	Grants received	17,410	-
		<u> </u>	<u> </u>
4	Operating profit	2023	2022
		£	£
	Operating profit for the year is stated after charging/(crediting):		
	Government grants	(17,410)	-
	Depreciation of owned tangible fixed assets	438,198	433,318
	Loss on disposal of investment property	26,835	27,785
	Operating lease charges	20,604	20,736
		<u> </u>	<u> </u>
5	Auditor's remuneration	2023	2022
		£	£
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the group and company	18,840	8,800
	Audit of the financial statements of the company's subsidiaries	12,241	9,820
		<u> </u>	<u> </u>
		31,081	18,620
		<u> </u>	<u> </u>
6	Employees		
	The average monthly number of persons (including directors) employed by the group and company during the year was:		
		2023	2022
		Number	Number
	Administration and care staff	114	115
		<u> </u>	<u> </u>
	Their aggregate remuneration comprised:		
		2023	2022
		£	£
	Wages and salaries	3,168,176	2,847,508
	Social security costs	296,678	270,861
	Pension costs	62,674	55,403
		<u> </u>	<u> </u>
		3,527,528	3,173,772
		<u> </u>	<u> </u>

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2023

7	Directors' remuneration	2023	2022
		£	£
	Remuneration for qualifying services	26,000	26,000
		<u> </u>	<u> </u>
8	Interest receivable and similar income	2023	2022
		£	£
	Interest income		
	Interest on bank deposits	40,392	-
		<u> </u>	<u> </u>
9	Interest payable and similar expenses	2023	2022
		£	£
	Interest on bank overdrafts and loans	543,874	241,470
	Interest on finance leases and hire purchase contracts	1,397	-
	Other interest	3,355	2,029
		<u> </u>	<u> </u>
	Total finance costs	548,626	243,499
		<u> </u>	<u> </u>
10	Fair value gains and losses on investment properties	2023	2022
		£	£
	Changes in the fair value of investment properties	-	1,274,529
		<u> </u>	<u> </u>
11	Taxation	2023	2022
		£	£
	UK corporation tax on profits for the current period	556,995	536,662
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	(75,736)	344,389
		<u> </u>	<u> </u>
	Total tax charge	481,259	881,051
		<u> </u>	<u> </u>

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2023

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:

	2023 £	2022 £
Profit before taxation	2,187,889	3,766,706
Expected tax charge based on the standard rate of corporation tax in the UK of 23.01% (2022: 19.00%)	503,433	715,674
Tax effect of expenses that are not deductible in determining taxable profit	1,810	2,447
Adjustments in respect of prior years	(728)	-
Permanent capital allowances in excess of depreciation	1,944	1,740
Effect of revaluations of investments	-	(242,161)
Other non-reversing timing differences	(103)	(3)
Deferred tax movements	(75,736)	344,388
Depreciation add back	99,479	80,515
Capital allowances	(48,840)	(21,549)
Tax expense for the year	481,259	881,051

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:

	2023 £	2022 £
Deferred tax arising on:		
Revaluation of property	-	(80,930)

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2023

12 Tangible fixed assets

Group	Land and buildings Freehold	Fixtures, fittings & equipment	Leasehold improvement	Total
	£	£	£	£
Cost or valuation				
At 1 December 2022	16,576,944	2,322,849	-	18,899,793
Additions	2,117	126,125	79,949	208,191
Disposals	-	(57,977)	-	(57,977)
At 30 November 2023	16,579,061	2,390,997	79,949	19,050,007
Depreciation and impairment				
At 1 December 2022	615,649	1,608,449	-	2,224,098
Depreciation charged in the year	307,867	125,001	5,330	438,198
Eliminated in respect of disposals	-	(50,794)	-	(50,794)
At 30 November 2023	923,516	1,682,656	5,330	2,611,502
Carrying amount				
At 30 November 2023	15,655,545	708,341	74,619	16,438,505
At 30 November 2022	15,961,295	714,400	-	16,675,695
Company			Fixtures, fittings & equipment	
			£	
Cost or valuation				
At 1 December 2022				1,073,210
Additions				9,297
Disposals				(57,977)
At 30 November 2023				1,024,530
Depreciation and impairment				
At 1 December 2022				862,592
Depreciation charged in the year				31,910
Eliminated in respect of disposals				(50,794)
At 30 November 2023				843,708
Carrying amount				
At 30 November 2023				180,822
At 30 November 2022				210,618

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2023

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 2023 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 carrying amounts included would have been £3,894,501 (2022: £3,995,044), being cost of £5,133,000 (2022: £5,130,883) and depreciation of £1,238,499 (2022: £1,135,839).

13 Investment property

	Group 2023 £	Company 2023 £
Fair value		
At 1 December 2022	24,402,915	24,402,915
Disposals	(493,584)	(493,584)
At 30 November 2023	<u>23,909,331</u>	<u>23,909,331</u>

At 30 November 2023, the comparable historic cost of investment properties included at valuation was £19,345,610 (2022: £19,839,194).

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 RICS certified property consultants.

14 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	15	-	-	200	200

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 December 2022 and 30 November 2023	<u>200</u>
Carrying amount	
At 30 November 2023	<u>200</u>
At 30 November 2022	<u>200</u>

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2023

15 Subsidiaries

Details of the company's subsidiaries at 30 November 2023 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 Macneil House, 9-17 Lodge Lane, London, N12 8JH.

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.

16 Debtors

	Group 2023	2022	Company 2023	2022
Amounts falling due within one year:	£	£	£	£
Trade debtors	964,517	657,316	96,543	85,379
Amounts owed by group undertakings	-	-	144	2,636,205
Amounts owed by companies under common control	2,652,375	2,652,676	1,092,375	1,091,164
Other debtors	7,606,245	7,642,954	1,880,589	1,922,904
Prepayments and accrued income	127,093	111,277	48,212	65,481
	<u>11,350,230</u>	<u>11,064,223</u>	<u>3,117,863</u>	<u>5,801,133</u>

17 Creditors: amounts falling due within one year

		Group 2023	2022	Company 2023	2022
	Notes	£	£	£	£
Bank loans	19	460,407	562,317	209,028	287,552
Obligations under finance leases	20	7,247	-	-	-
Trade creditors		367,614	166,023	68,559	13,344
Amounts owed to group undertakings		-	-	41,151	41,151
Amounts owed to companies under common control		10,985,141	16,749,006	10,985,141	17,543,872
Corporation tax payable		256,438	337,124	87,152	90,421
Other taxation and social security		129,478	109,499	51,854	48,604
Other creditors		526,672	474,943	95,699	97,452
Accruals and deferred income		256,359	264,169	91,716	116,585
		<u>12,989,356</u>	<u>18,663,081</u>	<u>11,630,300</u>	<u>18,238,981</u>

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2023

18 Creditors: amounts falling due after more than one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans and overdrafts	19	7,375,666	7,846,994	2,504,468	2,724,144
Obligations under finance leases	20	62,970	-	-	-
		<u>7,438,636</u>	<u>7,846,994</u>	<u>2,504,468</u>	<u>2,724,144</u>

19 Loans and overdrafts

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	7,836,073	8,409,311	2,713,496	3,011,696
	<u>7,836,073</u>	<u>8,409,311</u>	<u>2,713,496</u>	<u>3,011,696</u>
Payable within one year	460,407	562,317	209,028	287,552
Payable after one year	7,375,666	7,846,994	2,504,468	2,724,144
	<u>7,836,073</u>	<u>8,409,311</u>	<u>2,713,496</u>	<u>3,011,696</u>

Amounts included above which fall due after five years:

Payable by instalments	1,653,618	1,848,162	-	-
	<u>1,653,618</u>	<u>1,848,162</u>	<u>-</u>	<u>-</u>

Included within bank loans are the following amounts:

- £639,224 repayable on a monthly basis and subject to interest of base rate + 3%;
- £108,633 repayable on a monthly basis and subject to interest of base rate + 2.75%;
- £1,939,167 repayable on a monthly basis and subject to interest of base rate + 2.85%;
- £26,472 repayable on a monthly basis and subject to interest of 2.5%;
- £2,496,239 repayable on a monthly basis and subject to interest of base rate + 2.25%; and
- £2,626,338 repayable on a quarterly basis and subject to interest of base rate +2.10%.

The loan terms range between 4 and 15 years.

The bank loans are secured by a legal charge over the freehold property and a debenture over the assets of the group, as well as by cross-guarantees given by the other companies under common control of the shareholders amounting to £19,259,465 (2022: £21,692,396) along with a guarantee of £600,000 from the director, Mr N J Lukka.

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

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2023

20 Finance lease obligations

	Group 2023 £	2022 £	Company 2023 £	2022 £
Future minimum lease payments due under finance leases:				
Within one year	7,247	-	-	-
In two to five years	62,970	-	-	-
	<u>70,217</u>	<u>-</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company for a motor vehicle. Lease include purchase option at the end of the lease period, and no restrictions are placed on the use of the asset. The lease term is 48 months and is on a fixed repayment basis.

21 Deferred taxation

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

	Liabilities 2023 £	Liabilities 2022 £
Group		
Accelerated capital allowances	(1,453)	33,975
Short term timing differences	(1,548)	(1,281)
Revaluations	1,955,483	1,955,483
Investment property	505,396	545,437
Deferred tax arising on held over gains from transfer of land and buildings	315,638	315,638
	<u>2,773,516</u>	<u>2,849,252</u>
	<u><u>2,773,516</u></u>	<u><u>2,849,252</u></u>
	Liabilities 2023 £	Liabilities 2022 £
Company		
Accelerated capital allowances	(1,077)	3,097
Short term timing differences	(123)	(122)
Investment property	505,396	545,437
	<u>504,196</u>	<u>548,412</u>
	<u><u>504,196</u></u>	<u><u>548,412</u></u>

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2023

21	Deferred taxation	(Continued)	
		Group 2023	Company 2023
		£	£
		Movements in the year:	
		Liability at 1 December 2022	
		2,849,252	548,412
		Credit to profit or loss	
		(75,736)	(44,216)
		Liability at 30 November 2023	
		2,773,516	504,196

Deferred tax is based on the future expected rate of corporation tax of 25% (2022: 25%)

22	Retirement benefit schemes	2023	2022
		£	£
		Defined contribution schemes	
		Charge to profit or loss in respect of defined contribution schemes	
		62,674	55,403

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

23	Share capital	2023	2022	2023	2022
		Number	Number	£	£
		Ordinary share capital			
		Issued and fully paid			
		Ordinary shares of £1 each			
		100	100	100	100

24 Reserves

Profit and loss reserves

Profit and loss reserves include £3,977,945 (2022: £4,018,284) in respect of unrealised gains arising on investment properties.

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2023

25 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 2023 £	2022 £	Company 2023 £	2022 £
Within one year	10,226	17,280	10,226	17,280
Between two and five years	-	10,226	-	10,226
	<u>10,226</u>	<u>27,506</u>	<u>10,226</u>	<u>27,506</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:

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

	Group 2023 £	2022 £	Company 2023 £	2022 £
Within one year	1,216,142	1,165,664	1,193,364	1,175,647
Between two and five years	1,909,948	1,829,961	2,791,045	2,821,502
In over five years	2,357,645	2,781,509	5,342,631	6,464,490
	<u>5,483,735</u>	<u>5,777,134</u>	<u>9,327,040</u>	<u>10,461,639</u>

MACNEIL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2023

26 Related party transactions

Transactions with related parties

At 30 November 2023 the group was owed £2,652,375, by companies under common control (2022: £2,652,676). The group charged no interest on this balance in the current or prior year.

At 30 November 2023 the group owed £10,985,141 to companies under common control (2022: £16,749,006). The group was charged no interest on this balance in the current or prior year.

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 the year end the group was owed £1,804 to Mr N J Lukka (2022: £40,316), inclusive of interest, which was repaid within 9 months of the year-end.

At the year end the group was owed £4,595,063 (2022: £4,595,050) 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 (2022: £2,810,000) 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.

At the year end the group was owed £252 (2022: £nil) by SJV 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.

At the year end the group was owed £186,902 (2022: £197,588) 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 2023

27 Cash generated from group operations

	2023 £	2022 £
Profit for the year after tax	1,706,630	2,885,655
Adjustments for:		
Taxation charged	481,259	881,051
Finance costs	548,626	243,499
Investment income	(40,392)	-
Loss on disposal of tangible fixed assets	26,835	27,785
Depreciation and impairment of tangible fixed assets	438,198	433,318
Changes in the fair value of investment properties	-	(1,274,529)
Movements in working capital:		
(Increase) in debtors	(326,323)	(2,253,426)
(Decrease)/increase in creditors	(5,498,376)	184,573
Cash (absorbed by)/generated from operations	(2,663,543)	1,127,926

28 Analysis of changes in net debt - group

	1 December 2022 £	Cash flows £	30 November 2023 £
Cash at bank and in hand	5,093,173	(4,006,422)	1,086,751
Borrowings excluding overdrafts	(8,409,311)	573,238	(7,836,073)
Obligations under finance leases	-	(70,217)	(70,217)
	(3,316,138)	(3,503,401)	(6,819,539)

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.