

COMPANY REGISTRATION NUMBER: 04417618

Macneil Limited

Consolidated Financial Statements

For the year ended

30 November 2024

Macneil Limited

Consolidated Financial Statements

Year ended 30 November 2024

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Macneil Limited

Officers and Professional Advisers

The board of directors

B N Lukka

N L Lukka

Company secretary

A Lukka

Registered office

Macneil House

9-17 Lodge Lane

London

N12 8JH

Auditor

Streets Audit LLP

Chartered accountants & statutory auditor

Enterprise House

38 Tyndall Court

Commerce Road

Lynch Wood

Peterborough

Cambridgeshire

PE2 6LR

Macneil Limited

Strategic Report

Year ended 30 November 2024

The directors present the strategic report for the year ended 30 November 2024. Fair review of the business The group made a pre-tax profit of £2.4m (2023: £2.2m) for the year on a turnover of £8.2m (2023 £7.5m). At 30 November 2024 the company had net assets of £13m (2023: net liabilities of £8m). 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. During the year and shortly after the year end completed a group restructure. As part of this, the results for the year include a £20.2m intercompany loan waiver. After the year end, the group completed the de-merger of its main trading subsidiary, Lukka Care Homes (2010) Limited. 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. Future developments The directors continue to monitor its key performance metrics whilst maintaining care quality its home.

This report was approved by the board of directors on 8 August 2025 and signed on behalf of the board by:

N L Lukka

Director

Registered office:

Macneil House

9-17 Lodge Lane

London

N12 8JH

Macneil Limited

Directors' Report

Year ended 30 November 2024

The directors present their report and the consolidated financial statements of the group for the year ended 30 November 2024 .

Directors

The directors who served the company during the year were as follows:

B N Lukka

N L Lukka

Dividends

The directors do not recommend the payment of a dividend.

Future developments

The directors have made disclosures on future developments and financial instruments in the strategic report.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the consolidated financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law the directors have elected to prepare the consolidated 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 consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period. In preparing these consolidated financial statements, the directors are required to: - select suitable accounting policies and then apply them consistently; - make judgments and accounting estimates that are reasonable and prudent; - prepare the consolidated 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 consolidated 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information. The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 8 August 2025 and signed on behalf of the board by:

N L Lukka

Director

Registered office:

Macneil House

9-17 Lodge Lane

London

N12 8JH

Macneil Limited

Independent Auditor's Report to the Members of Macneil Limited

Year ended 30 November 2024

Opinion

We have audited the consolidated financial statements of Macneil Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2024 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the consolidated financial statements: - give a true and fair view of the state of the group's and of the parent company's affairs as at 30 November 2024 and of the group's profit for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - 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 consolidated financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 consolidated financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the consolidated 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 or the parent company's ability to continue as a going concern for a period of at least twelve months from when the consolidated 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 consolidated financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the consolidated financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which 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 consolidated 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also: - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors. - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern. - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation. - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. 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.

Jonathan Day

(Senior Statutory Auditor)

For and on behalf of

Streets Audit LLP

Chartered accountants & statutory auditor

Enterprise House

38 Tyndall Court

Commerce Road

Lynch Wood

Peterborough

Cambridgeshire

PE2 6LR

27 August 2025

Macneil Limited

Consolidated Statement of Comprehensive Income

Year ended 30 November 2024

		2024	2023
	Note	£	£
Turnover	4	8,224,942	7,490,341
Cost of sales		4,037,647	3,712,065
		-----	-----
Gross profit		4,187,295	3,778,276
Administrative expenses		1,248,731	1,099,563
Other operating income	5	2,247	17,410
		-----	-----
Operating profit	6	2,940,811	2,696,123
Other interest receivable and similar income		33,294	40,392
Interest payable and similar expenses	10	586,289	548,626
		-----	-----
Profit before taxation		2,387,816	2,187,889
Tax on profit	11	668,349	481,259
		-----	-----
Profit for the financial year		1,719,467	1,706,630
		-----	-----
Revaluation of tangible assets		(381,160)	—
		-----	-----
Total comprehensive income for the year		1,338,307	1,706,630
		-----	-----

All the activities of the group are from continuing operations.

Macneil Limited

Consolidated Statement of Financial Position

30 November 2024

		2024	2023
	Note	£	£
Fixed assets			
Tangible assets	12	39,154,444	40,347,836
Current assets			
Debtors	14	14,485,286	11,350,230
Cash at bank and in hand		1,454,317	1,086,751
		15,939,603	12,436,981
Creditors: amounts falling due within one year	15	16,578,428	12,989,356
Net current liabilities		638,825	552,375
Total assets less current liabilities		38,515,619	39,795,461
Creditors: amounts falling due after more than one year	16	4,817,832	7,438,636
Provisions			
Taxation including deferred tax	18	2,776,171	2,773,516
Net assets		30,921,616	29,583,309

Macneil Limited

Consolidated Statement of Financial Position *(continued)*

30 November 2024

		2024	2023
	Note	£	£
Capital and reserves			
Called up share capital	22	100	100
Revaluation reserve	23	9,586,464	10,131,057
Profit and loss account	23	21,335,052	19,452,152
		-----	-----
Shareholders funds		30,921,616	29,583,309
		-----	-----

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

These consolidated financial statements were approved by the board of directors and authorised for issue on 8 August 2025 , and are signed on behalf of the board by:

N L Lukka

Director

Company registration number: 04417618

Macneil Limited
Company Statement of Financial Position

30 November 2024

		2024	2023
	Note	£	£
Fixed assets			
Tangible assets	12	23,230,447	24,090,153
Investments	13	200	200
		-----	-----
		23,230,647	24,090,353
Current assets			
Debtors	14	13,775,779	3,117,863
Cash at bank and in hand		595,343	406,910
		-----	-----
		14,371,122	3,524,773
Creditors: amounts falling due within one year	15	1,374,324	11,630,300
		-----	-----
Net current assets/(liabilities)		12,996,798	(8,105,527)
		-----	-----
Total assets less current liabilities		36,227,445	15,984,826
Creditors: amounts falling due after more than one year			
	16	2,366,758	2,504,468
Provisions			
Taxation including deferred tax	18	508,378	504,196
		-----	-----
Net assets		33,352,309	12,976,162
		-----	-----

Macneil Limited

Company Statement of Financial Position *(continued)*

30 November 2024

		2024	2023
	Note	£	£
Capital and reserves			
Called up share capital	22	100	100
Revaluation reserve	23	(381,160)	—
Profit and loss account	23	33,733,369	12,976,062
Shareholders funds		33,352,309	12,976,162

The profit for the financial year of the parent company was £ 20,757,307 (2023: £ 635,937).

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

These consolidated financial statements were approved by the board of directors and authorised for issue on 8 August 2025 , and are signed on behalf of the board by:

N L Lukka

Director

Company registration number: 04417618

Macneil Limited

Consolidated Statement of Changes in Equity

Year ended 30 November 2024

	Called up share capital	Revaluation reserve	Profit and loss account	Total
Note	£	£	£	£
At 1 December 2022	100	10,294,490	17,582,089	27,876,679
Profit for the year			1,706,630	1,706,630
Other comprehensive income for the year:				
Reclassification from revaluation reserve to profit and loss account	—	(163,433)	163,433	—
Total comprehensive income for the year	—	(163,433)	1,870,063	1,706,630
At 30 November 2023	100	10,131,057	19,452,152	29,583,309
Profit for the year			1,719,467	1,719,467
Other comprehensive income for the year:				
Revaluation of tangible assets 12	—	(381,160)	—	(381,160)
Reclassification from revaluation reserve to profit and loss account	—	(163,433)	163,433	—
Total comprehensive income for the year	—	(544,593)	1,882,900	1,338,307
At 30 November 2024	100	9,586,464	21,335,052	30,921,616

Macneil Limited

Company Statement of Changes in Equity

Year ended 30 November 2024

	Called up share capital	Revaluation reserve	Profit and loss account	Total
Note	£	£	£	£
At 1 December 2022	100	—	12,340,125	12,340,225
Profit for the year			635,937	635,937
	---	---	-----	-----
Total comprehensive income for the year	—	—	635,937	635,937
At 30 November 2023	100	—	12,976,062	12,976,162
Profit for the year			20,757,307	20,757,307
Other comprehensive income for the year:				
Revaluation of tangible assets	12	(381,160)	—	(381,160)
	---	-----	-----	-----
Total comprehensive income for the year	—	(381,160)	20,757,307	20,376,147
	---	-----	-----	-----
At 30 November 2024	100	(381,160)	33,733,369	33,352,309
	---	-----	-----	-----

Macneil Limited

Consolidated Statement of Cash Flows

Year ended 30 November 2024

	2024	2023
	£	£
Cash flows from operating activities		
Profit for the financial year	1,719,467	1,706,630
<i>Adjustments for:</i>		
Depreciation of tangible assets	443,977	438,198
Government grant income	–	(17,410)
Other interest receivable and similar income	(33,294)	(40,392)
Interest payable and similar expenses	586,289	548,626
Loss on disposal of investment property	35,507	26,835
Tax on profit	668,349	481,259
Accrued expenses/(income)	17,449	(7,810)
<i>Changes in:</i>		
Trade and other debtors	(3,135,056)	(286,007)
Trade and other creditors	11,275,790	291,250
Cash generated from operations	11,578,478	3,141,179
Interest paid	(586,289)	(548,626)
Interest received	33,294	40,392
Tax paid	(450,842)	(655,632)
Net cash from operating activities	10,574,641	1,977,313
Cash flows from investing activities		
Purchase of tangible assets	(167,252)	(208,191)
Proceeds from sale of tangible assets	500,000	473,932
Net cash from investing activities	332,748	265,741
Cash flows from financing activities		
Proceeds from borrowings	(424,474)	(573,238)
Proceeds from loans from participating interests	(10,105,549)	(5,763,865)
Government grant income	–	17,410
Payments of finance lease liabilities	(9,800)	70,217
Net cash used in financing activities	(10,539,823)	(6,249,476)
Net increase/(decrease) in cash and cash equivalents	367,566	(4,006,422)
Cash and cash equivalents at beginning of year	1,086,751	5,093,173
Cash and cash equivalents at end of year	1,454,317	1,086,751

Macneil Limited

Notes to the Consolidated Financial Statements

Year ended 30 November 2024

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Macneil House, 9-17 Lodge Lane, London, N12 8JH.

2. Statement of compliance

These consolidated financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The consolidated financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The group is not entitled to reduced disclosures under FRS 102.

Consolidation

The consolidated financial statements consolidate the consolidated financial statements of Macneil Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

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.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in respect of all material timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis. Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and buildings	-	2% straight line
Plant and machinery	-	15% reducing balance
Fixtures and fittings	-	15% reducing balance
Motor vehicles	-	25% reducing balance

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Income from investments is recorded on a receipts basis.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

4. Turnover

Turnover arises from:

	2024	2023
	£	£
Nursing home fees	6,687,086	5,994,698
Rental income	1,537,856	1,495,643
	-----	-----
	8,224,942	7,490,341
	-----	-----

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

5. Other operating income

	2024	2023
	£	£
Government grant income	—	17,410
Other operating income	2,247	—
	-----	-----
	2,247	17,410
	-----	-----

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2024	2023
	£	£
Depreciation of tangible assets	443,977	438,198
Loss on disposal of investment property	35,507	26,835
Impairment of trade debtors	(1,200)	—
	-----	-----

7. Auditor's remuneration

	2024	2023
	£	£
Fees payable for the audit of the consolidated financial statements	12,000	31,081

8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2024	2023
	No.	No.
Production staff	114	112
Administrative staff	2	—
Management staff	2	2
	----	----
	118	114
	----	----

The aggregate payroll costs incurred during the year, relating to the above, were:

	2024	2023
	£	£
Wages and salaries	3,437,650	3,168,176
Social security costs	332,789	296,678
Other pension costs	86,885	62,674
	-----	-----
	3,857,324	3,527,528
	-----	-----

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2024	2023
	£	£
Remuneration	26,000	28,715

10. Interest payable and similar expenses

	2024	2023
	£	£
Interest on banks loans and overdrafts	582,075	543,874
Interest on obligations under finance leases and hire purchase contracts	3,463	1,397
Other interest payable and similar charges	751	3,355
	-----	-----
	586,289	548,626
	-----	-----

11. Tax on profit

Major components of tax expense

	2024	2023
	£	£
Current tax:		
UK current tax expense	665,694	556,995
Deferred tax:		
Origination and reversal of timing differences	2,655	(75,736)
	-----	-----
Tax on profit	668,349	481,259
	-----	-----

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2023: lower than) the standard rate of corporation tax in the UK of 25 % (2023: 23.01 %).

	2024	2023
	£	£
Profit on ordinary activities before taxation	2,387,816	2,187,889
Profit on ordinary activities by rate of tax	581,853	503,433
Adjustment to tax charge in respect of prior periods	—	(728)
Effect of expenses not deductible for tax purposes	11,934	1,707
Effect of capital allowances and depreciation	77,350	(23,153)
Marginal relief	(2,788)	—
Tax on profit	668,349	481,259

12. Tangible assets

Group	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Investment property £	Total £
Cost						
At 1 Dec 2023	16,579,061	11,207	2,379,790	79,949	23,909,331	42,959,338
Additions	8,868	3,324	95,060	—	60,000	167,252
Disposals	—	—	—	—	(916,667)	(916,667)
At 30 Nov 2024	16,587,929	14,531	2,474,850	79,949	23,052,664	42,209,923
Depreciation						
At 1 Dec 2023	923,516	5,488	1,677,168	5,330	—	2,611,502
Charge for the year	308,044	1,356	119,653	14,924	—	443,977
At 30 Nov 2024	1,231,560	6,844	1,796,821	20,254	—	3,055,479
Carrying amount						
At 30 Nov 2024	15,356,369	7,687	678,029	59,695	23,052,664	39,154,444
At 30 Nov 2023	15,655,545	5,719	702,622	74,619	23,909,331	40,347,836
Company			Fixtures and fittings £	Investment property £	Total £	
Cost						
At 1 December 2023			1,024,530	23,909,331	24,933,861	
Additions			28,335	60,000	88,335	
Disposals			—	(916,667)	(916,667)	
At 30 November 2024			1,052,865	23,052,664	24,105,529	
Depreciation						
At 1 December 2023			843,708	—	843,708	
Charge for the year			31,374	—	31,374	
At 30 November 2024			875,082	—	875,082	
Carrying amount						
At 30 November 2024			177,783	23,052,664	23,230,447	
At 30 November 2023			180,822	23,909,331	24,090,153	

Tangible assets held at valuation

At 30 November 2024, the comparable historic cost of investment properties included at valuation was £19,345,610 (2023: £19,345,610). 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.

13. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 December 2023 and 30 November 2024	200

Impairment	
At 1 December 2023 and 30 November 2024	—

Carrying amount	
At 1 December 2023 and 30 November 2024	200

At 30 November 2023	200

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
Lukka Care Homes (2010) Ltd	Ordinary	100
Macneil Properties Limited	Ordinary	100

The registered office of the subsidiaries is Macneil House, 9-17 Lodge Land, London, N12 8JH. Both companies are incorporated in England and have been consolidated in these financial statements. Macneil Properties Ltd has claimed the exemption from audit under section 479A of the companies act 2006 relating to subsidiary companies.

14. Debtors

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	548,601	964,517	44,119	96,543
Amounts owed by group undertakings	—	—	—	144
Amounts owed by undertakings in which the company has a participating interest	60,775	2,652,375	60,775	1,092,375
Prepayments and accrued income	100,671	127,093	45,397	48,212
Directors loan account	270	—	270	—
Other debtors	13,774,969	7,606,245	13,625,218	1,880,589
	14,485,286	11,350,230	13,775,779	3,117,863

15. Creditors: amounts falling due within one year

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Bank loans and overdrafts	2,647,063	460,407	168,289	209,028
Trade creditors	185,873	367,614	26,068	68,559
Amounts owed to group undertakings	—	—	41,151	41,151
Amounts owed to undertakings in which the company has a participating interest	879,592	10,985,141	879,592	10,985,141
Accruals and deferred income	273,808	256,359	55,144	91,716
Corporation tax	453,339	238,487	78,895	87,152
Social security and other taxes	106,623	147,429	30,380	51,854
Obligations under finance leases and hire purchase contracts	7,121	7,247	—	—
Other creditors	12,025,009	526,672	94,805	95,699
	16,578,428	12,989,356	1,374,324	11,630,300

Bank loans and overdrafts are secured by a legal charge over the freehold property and a debenture over the assets of the company as well as a cross-guarantee given by other companies under the control of the shareholder. The loans are repayable on a monthly basis and interest of bases rates plus 1.25%, 2.15% and 2.25% is payable on these loans.

At 30 November 2024, the net bank loans subject to cross guarantee amounted to £23.1m (2023: £25.1m).

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

16. Creditors: amounts falling due after more than one year

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Bank loans and overdrafts	4,764,536	7,375,666	2,366,758	2,504,468
Obligations under finance leases and hire purchase contracts	53,296	62,970	—	—
	4,817,832	7,438,636	2,366,758	2,504,468

Bank loans and overdrafts are secured by a legal charge over the freehold property and a debenture over the assets of the company as well as a cross-guarantee given by other companies under the control of the shareholder. The loans are repayable on a monthly basis and interest of bases rates plus 1.25%, 2.15% and 2.25% is payable on these loans.

At 30 November 2024, the net bank loans subject to cross guarantee amounted to £23.1m (2023: £25.1m).

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

17. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Not later than 1 year	7,121	7,247	—	—
Later than 1 year and not later than 5 years	53,296	62,970	—	—
	60,417	70,217	—	—

18. Provisions

Group	Deferred tax (note 19) £
At 1 December 2023	2,773,516
Additions	2,655
At 30 November 2024	2,776,171
Company	Deferred tax (note 19) £
At 1 December 2023	504,196
Additions	4,182
At 30 November 2024	508,378

19. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Included in provisions (note 18)	2,776,171	2,773,516	508,378	504,196

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Accelerated capital allowances	79,155	77,900	3,130	(1,077)
Fair value adjustment of investment property	505,396	503,971	505,396	505,396
Pension plan obligations	(148)	(123)	(148)	(123)
Capital gains	2,191,768	2,191,768	—	—
	2,776,171	2,773,516	508,378	504,196

20. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 86,885 (2023: £ 62,674).

21. Government grants

The amounts recognised in the consolidated financial statements for government grants are as follows:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Recognised in other operating income:				
Government grants recognised directly in income	—	17,410	—	—

22. Called up share capital

Issued, called up and fully paid

	2024		2023	
	No.	£	No.	£
Ordinary shares of £ 1 each	100	100	100	100
	----	----	----	----

23. Reserves

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income. Profit and loss account - This reserve records retained earnings and accumulated losses. The profit and loss account includes £3.98m (2023 - £3.98m) in respect of unrealised gains arising on investment properties.

24. Analysis of changes in net debt

	At 1 Dec 2023	Cash flows	At 30 Nov 2024
	£	£	£
Cash at bank and in hand	1,086,751	367,566	1,454,317
Debt due within one year	(11,452,795)	7,919,019	(3,533,776)
Debt due after one year	(7,438,636)	2,620,804	(4,817,832)
	-----	-----	-----
	(17,804,680)	10,907,389	(6,897,291)
	-----	-----	-----

25. Operating leases

As lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Not later than 1 year	516,452	506,226	20,452	10,226
Later than 1 year and not later than 5 years	1,984,000	1,984,000	—	—
Later than 5 years	6,356,000	6,852,000	—	—
	-----	-----	-----	-----
	8,856,452	9,342,226	20,452	10,226
	-----	-----	-----	-----

As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Not later than 1 year	1,193,364	1,193,364	1,193,364	1,193,364
Later than 1 year and not later than 5 years	2,791,045	2,791,045	2,791,045	2,791,045
Later than 5 years	4,149,267	5,342,631	4,149,267	5,342,631
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	8,133,676	9,327,040	8,133,676	9,327,040
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Macneil Limited

Notes to the Consolidated Financial Statements *(continued)*

Year ended 30 November 2024

26. Directors' advances, credits and guarantees

At the year end the company was owed £270 to Mr N J Lukka (2023: £nil), inclusive of interest, which was repaid within 9 months of the year-end.

27. Controlling party

The directors consider the group was not under the control of any one party during the year. On 1 December 2024, the group became a wholly owned subsidiary of Macneil Holdco Limited.

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