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**MARIA MALLABAND CARE HOMES (2) LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2018**

THURSDAY



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**MARIA MALLABAND CARE HOMES (2) LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	P J Burgan C Ball P G Fagan J Lock
<b>Registered number</b>	05709273
<b>Registered office</b>	Westcourt Gelder Road Leeds West Yorkshire LS12 6DB
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor No 1 Whitehall Riverside Leeds West Yorkshire LS1 4BN
<b>Bankers</b>	Barclays Bank plc 1 St Paul's Place 121 Norfolk Street Leeds S1 2JW

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## MARIA MALLABAND CARE HOMES (2) LIMITED

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## MARIA MALLABAND CARE HOMES (2) LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2018

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The directors present their report and the financial statements for the year ended 30 April 2018.

#### Directors

The directors who served during the year were:

P J Burgan  
C Ball  
P G Fagan

Mr J Lock was appointed as a director on 2 January 2019.

#### Directors' responsibilities statement

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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

#### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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**MARIA MALLABAND CARE HOMES (2) LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 APRIL 2018**

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**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 31 January 2019 and signed on its behalf.



**P G Fagan**  
Director



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARIA MALLABAND CARE HOMES (2) LIMITED

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### Opinion

We have audited the financial statements of Maria Mallaband Care Homes (2) Limited (the 'company') for the year ended 30 April 2018, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 Company's affairs as at 30 April 2018 and of its 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARIA MALLABAND CARE HOMES (2)  
LIMITED (CONTINUED)**

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

**Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

**Matters on which we are required to report by exception**

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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;
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARIA MALLABAND CARE HOMES (2)  
LIMITED (CONTINUED)**

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**Responsibilities of directors for the financial statements**

As explained more fully in the Directors' responsibilities statement on page 1, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.



Andrew Wood  
Senior statutory auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Leeds

31 January 2019



**MARIA MALLABAND CARE HOMES (2) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 APRIL 2018**

	Note	2018 £	2017 £
Turnover	4	1,305,874	1,295,889
Cost of sales		(493,461)	(477,125)
<b>Gross profit</b>		<b>812,413</b>	<b>818,764</b>
Administrative expenses		(751,647)	(676,945)
<b>Operating profit</b>	5	<b>60,766</b>	<b>141,819</b>
Interest payable and expenses	7	-	(1)
<b>Profit before tax</b>		<b>60,766</b>	<b>141,818</b>
Tax on profit	8	4,100	9,000
<b>Profit for the financial year</b>		<b>64,866</b>	<b>150,818</b>
<b>Other comprehensive income for the year</b>			
Unrealised surplus on revaluation of intangible assets		24,106	-
Deferred tax		(4,600)	-
<b>Other comprehensive income for the year</b>		<b>19,506</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>84,372</b>	<b>150,818</b>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 9 to 20 form part of these financial statements.

**MARIA MALLABAND CARE HOMES (2) LIMITED**  
**REGISTERED NUMBER:05709273**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 APRIL 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	9	543,367	545,888
Tangible assets	10	175,474	137,919
		<u>718,841</u>	<u>683,807</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	11	2,037,751	1,159,938
Debtors: amounts falling due within one year	11	41,375	50,461
Cash at bank and in hand	12	293	63,866
		<u>2,079,419</u>	<u>1,274,265</u>
Creditors: amounts falling due within one year	13	(146,024)	(115,947)
<b>Net current assets</b>		<u>1,933,395</u>	<u>1,158,318</u>
<b>Total assets less current liabilities</b>		<u>2,652,236</u>	<u>1,842,125</u>
Creditors: amounts falling due after more than one year	14	(1,245,993)	(520,754)
<b>Provisions for liabilities</b>			
Deferred tax	15	(94,500)	(94,000)
		<u>(94,500)</u>	<u>(94,000)</u>
<b>Net assets</b>		<u><u>1,311,743</u></u>	<u><u>1,227,371</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	1	1
Revaluation reserve	17	416,995	419,016
Profit and loss account	17	894,747	808,354
		<u><u>1,311,743</u></u>	<u><u>1,227,371</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 January 2019.

  
**C Ball**  
 Director

The notes on pages 9 to 20 form part of these financial statements.

**MARIA MALLABAND CARE HOMES (2) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 APRIL 2018**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 May 2017	1	419,016	808,354	1,227,371
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	64,866	64,866
Transfer to profit and loss account	-	(21,527)	-	(21,527)
Transfer from revaluation reserve	-	-	21,527	21,527
Surplus on revaluation of lease interests	-	24,106	-	24,106
Deferred tax	-	(4,600)	-	(4,600)
<b>Other comprehensive income for the year</b>	-	(2,021)	21,527	19,506
<b>Total comprehensive income for the year</b>	-	(2,021)	86,393	84,372
<b>At 30 April 2018</b>	<b>1</b>	<b>416,995</b>	<b>894,747</b>	<b>1,311,743</b>

The notes on pages 9 to 20 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 APRIL 2017**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 May 2016	1	451,834	624,718	1,076,553
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	150,818	150,818
Transfer to profit and loss account	-	(32,818)	-	(32,818)
Transfer from revaluation reserve	-	-	32,818	32,818
<b>Other comprehensive income for the year</b>	-	(32,818)	32,818	-
<b>Total comprehensive income for the year</b>	-	(32,818)	183,636	150,818
<b>At 30 April 2017</b>	<b>1</b>	<b>419,016</b>	<b>808,354</b>	<b>1,227,371</b>

The notes on pages 9 to 20 form part of these financial statements.

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## MARIA MALLABAND CARE HOMES (2) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

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#### 1. General information

Maria Mallaband Care Homes (2) Limited is a limited liability company incorporated in England and Wales. Its registered head office is located at Westcourt, Gelderd Road, Leeds, LS12 6DB.

The principal activity of the Company is that of residential care activities for the elderly.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of intangible assets and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company's functional and presentational currency is GBP.

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of MMCG Holdings Limited as at 30 April 2018 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

##### 2.3 Going concern

The directors review three year cash flow requirements on a monthly basis to ensure that bank borrowings and overdraft facilities are sufficient to support the strategic plans of the Company. The Company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The directors, having assessed the responses of the directors of the Company's parent, Maria Mallaband Care Group Limited to their enquiries, have no reason to believe that a material uncertainty exists that may cast doubts about the ability of the group to continue as a going concern. On this basis, the directors consider it appropriate to prepare the Company financial statements on the going concern basis.

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## MARIA MALLABAND CARE HOMES (2) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

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#### 2. Accounting policies (continued)

##### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### 2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the revaluation model, intangible assets shall be carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated amortisation and subsequent impairment losses - provided that the fair value can be determined by reference to an active market.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

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## MARIA MALLABAND CARE HOMES (2) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

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#### 2. Accounting policies (continued)

##### 2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures & fittings	- 5 - 10 years straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

##### 2.7 Revaluation of intangible fixed assets

Lease interests are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated amortisation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

##### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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## MARIA MALLABAND CARE HOMES (2) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

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## 2. Accounting policies (continued)

### 2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

### 2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

### 2.12 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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## MARIA MALLABAND CARE HOMES (2) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

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#### 2. Accounting policies (continued)

##### 2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

##### 2.14 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

##### 2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include the useful lives of fixed assets, the fair value of lease interests and recoverability of debts. Although these estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.



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MARIA MALLABAND CARE HOMES (2) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2018

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4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Provision of elderly care	<u>1,305,874</u>	<u>1,295,889</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	37,493	32,818
Amortisation of intangible assets	26,627	26,628
Other operating lease rentals	<u>473,132</u>	<u>428,160</u>

During the year, no director received any emoluments (2017: £Nil).

Audit fees for the current and prior year were paid by another group company.

6. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Staff	<u>35</u>	<u>34</u>

7. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	<u>-</u>	<u>1</u>

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**MARIA MALLABAND CARE HOMES (2) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2018**

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**8. Taxation**

	2018 £	2017 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	(4,100)	(5,000)
Adjustment in respect of prior periods	-	(4,000)
<b>Total deferred tax</b>	<u>(4,100)</u>	<u>(9,000)</u>
<b>Taxation on profit on ordinary activities</b>	<u>(4,100)</u>	<u>(9,000)</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2017: *lower than*) the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>60,766</u>	<u>141,818</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 20%)	11,546	28,364
<b>Effects of:</b>		
Expenses not deductible for tax purposes	1,788	1,697
Adjustments to tax charge in respect of prior periods	-	(4,000)
Rate differences	1,099	399
Group relief	(18,533)	(35,460)
<b>Total tax credit for the year</b>	<u>(4,100)</u>	<u>(9,000)</u>

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MARIA MALLABAND CARE HOMES (2) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2018

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9. Intangible assets

	Lease interests £
<b>Cost</b>	
At 1 May 2017	600,000
Revaluation surplus	24,106
At 30 April 2018	<u>624,106</u>
<b>Amortisation</b>	
At 1 May 2017	54,112
Charge for the year	26,627
At 30 April 2018	<u>80,739</u>
<b>Net book value</b>	
At 30 April 2018	<u><u>543,367</u></u>
At 30 April 2017	<u><u>545,888</u></u>

The leasehold interests in the registered care homes occupied by the Company were valued in previous years on the basis of existing use. The directors have updated this valuation as at 30 April 2018 based on advice from an independent surveyor.

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MARIA MALLABAND CARE HOMES (2) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2018

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10. Tangible fixed assets

	Fixtures & fittings £
<b>Cost</b>	
At 1 May 2017	315,966
Additions	75,048
Disposals	(113,061)
At 30 April 2018	277,953
<b>Depreciation</b>	
At 1 May 2017	178,047
Charge for the year	37,493
Disposals	(113,061)
At 30 April 2018	102,479
<b>Net book value</b>	
At 30 April 2018	175,474
At 30 April 2017	137,919

**MARIA MALLABAND CARE HOMES (2) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2018**

**11. Debtors**

	2018 £	2017 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	2,037,751	1,159,938
	<u>2,037,751</u>	<u>1,159,938</u>
<b>Due within one year</b>		
Trade debtors	17,262	26,239
Other debtors	4,032	2,085
Prepayments and accrued income	20,081	22,137
	<u>41,375</u>	<u>50,461</u>

**12. Cash and cash equivalents**

	2018 £	2017 £
Cash at bank and in hand	293	63,866
Less: bank overdrafts	(3,786)	(854)
	<u>(3,493)</u>	<u>63,012</u>

**13. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Bank overdrafts	3,786	854
Trade creditors	52,967	39,228
Other taxation and social security	13,513	12,754
Other creditors	27,561	19,641
Accruals and deferred income	48,197	43,470
	<u>146,024</u>	<u>115,947</u>

Bank overdrafts are secured by a charge of the assets of the Company and other group subsidiaries.

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**MARIA MALLABAND CARE HOMES (2) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2018**

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**14. Creditors: Amounts falling due after more than one year**

	2018 £	2017 £
Amounts owed to group undertakings	<u>1,245,993</u>	<u>520,754</u>

**15. Deferred taxation**

	2018 £	2017 £
At beginning of year	(94,000)	(103,000)
Credited to profit or loss	4,100	9,000
Charged to other comprehensive income	(4,600)	-
<b>At end of year</b>	<u><b>(94,500)</b></u>	<u><b>(94,000)</b></u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	9,000	10,000
Revaluation of lease interests	(103,500)	(104,000)
	<u><b>(94,500)</b></u>	<u><b>(94,000)</b></u>

**16. Share capital**

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
1 (2017 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

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MARIA MALLABAND CARE HOMES (2) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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**17. Reserves**

**Revaluation reserve**

This represents the difference between the historical cost of lease interests and their fair value as at 30 April 2018.

**Profit & loss account**

This represents all current and prior year retained profits and losses.

**18. Commitments under operating leases**

At 30 April 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	404,344	393,528
Later than 1 year and not later than 5 years	1,617,240	1,574,112
Later than 5 years	2,449,826	2,787,490
	<u>4,471,410</u>	<u>4,755,130</u>

**19. Related party transactions**

As the the Company is 100% owned within the group, and the consolidated financial statements are publicly available, it has taken the exemption from disclosing transactions with other group entities.

**20. Controlling party**

Mr P J Burgan is this Company's controlling related party by virtue of his majority shareholding in MMCG Holdings Limited.

In the opinion of the directors the ultimate parent undertaking is MMCG Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. Copies of the ultimate parent undertaking's financial statements may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.