Mental Health Care (Hoylake) Limited

Registered number: 08549161

Annual report and financial statements

For the year ended 30 June 2017

COMPANY INFORMATION

Directors	J Adey (resigned 15 August 2016) K C Moore (appointed 15 August 2016, resigned 1 November 2017) G Hallows (appointed 15 August 2016, resigned 26 January 2018) A Crow (appointed 15 August 2016, resigned 26 January 2018) R Sandick (appointed 1 April 2017, resigned 26 January 2018) A Dean (appointed 1 April 2017)
Registered number	08549161
Registered office	2 Acrefield Road Birkenhead Merseyside CH42 8LD
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 14th Floor The Plaza 100 Old Hall Street Liverpool L3 9QJ
Bankers	Barclays Bank plc 3rd Floor Windsor Court 3 Windsor Place Cardiff CF10 3ZL

MENTAL HEALTH CARE (HOYLAKE) LIMITED

CONTENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

The directors present their report and the financial statements for the year ended 30 June 2017.

Principal activity

The company's principal activity is the provision of residential care for people with learning disabilities and challenging behaviour.

Directors

The directors who served during the year were:

J Adey (resigned 15 August 2016)
K C Moore (appointed 15 August 2016, resigned 1 November 2017)
G Hallows (appointed 15 August 2016, resigned 26 January 2018)
A Crow (appointed 15 August 2016, resigned 26 January 2018)
R Sandick (appointed 1 April 2017, resigned 26 January 2018)
A Dean (appointed 1 April 2017)

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the company's financial statements and then apply them consistently;
- make judgments 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.

Principal risks and uncertainties

The directors consider the key risks and uncertainties facing the company to be as follows:

Competitive pressure in a market for specialist challenging behaviour services is a continuing risk for the company as a number of alternative providers exist across the UK. The group continues to mitigate for this risk by developing services which are sufficiently differentiated from the competition by means of both the behavioural models applied and the niche client groups cared for by the group.

The service users are wholly funded by public sector sources. Consequently the group is therefore exposed to risks surrounding changes in government policies and the impact of enacted and planned reductions in spending on health and social care. This risk is mitigated by providing robust evidence of quality and service user outcomes, as well as ensuring that the group continues to contract with a wide range of funding providers. The group will continue to review and amend its cost base to counteract funding changes.

The directors have considered the MHC group and subsidiary companies trading and cash flows for the foreseeable future taking into account reasonably possible changes in trading performance. After making enquiries and taking into account the uncertainties arising from the current economic circumstances, the directors have a reasonable expectation that the company and the MHC group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

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 the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the 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.

Auditor

The auditor, Mazars 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 and signed on its behalf.

....
A Dean
Director

Date: 21/03/2018

MAZARS

Independent auditor's report to the members of Mental Health Care (Hoylake) Limited

Opinion

We have audited the financial statements of Mental Health Care (Hoylake) Limited (the 'company') for the year ended 30 June 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, 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 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 company's affairs as at 30 June 2017 and of its loss 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 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

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.

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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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.

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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing Strategic Report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. 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.

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. This description forms part of our auditor's report.

Gareth Hitchmough (Senior Statutory Auditor)

for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
14th Floor
The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

Date: 27 March 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 £	2016 £
Turnover	3	1,426,868	972,620
Cost of sales		(939,309)	(761,708)
Gross profit		487,559	210,912
Administrative expenses		(543,008)	(396,021)
Operating loss	4	(55,449)	(185,109)
Tax on loss	7	48,585	5,972
Loss for the financial year		(6,864)	(179,137)

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 8 to 18 form part of these financial statements.

MENTAL HEALTH CARE (HOYLAKE) LIMITED
REGISTERED NUMBER: 08549161

BALANCE SHEET
AS AT 30 JUNE 2017

	Note		2017 £		2016 £
Fixed assets					
Tangible assets	8		3,802,446		3,979,029
Current assets					
Debtors: amounts falling due within one year	9	235,601		240,809	
Cash at bank and in hand	10	11,408		15,473	
		247,009		256,282	
Creditors: amounts falling due within one year	11	(4,862,919)		(4,993,326)	
Net current liabilities			(4,615,910)		(4,737,044)
Total assets less current liabilities			(813,464)		(758,015)
Provisions for liabilities					
Deferred tax	13		(22,000)		(70,585)
Net assets			(835,464)		(828,600)
Capital and reserves					
Called up share capital	14		100		100
Profit and loss account	15		(835,564)		(828,700)
			(835,464)		(828,600)

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

AFDean
....
A Dean
Director

Date: 21/03/2018

The notes on pages 8 to 18 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2016	100	(828,700)	(828,600)
Comprehensive income for the year			
Loss for the year	-	(6,864)	(6,864)
At 30 June 2017	100	(835,564)	(835,464)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2015	100	(649,563)	(649,463)
Comprehensive income for the year			
Loss for the year	-	(179,137)	(179,137)
At 30 June 2016	100	(828,700)	(828,600)

The notes on pages 8 to 18 form part of these financial statements.

1. Accounting policies

1.1 Basis of preparation of financial statements

Mental Health Care (Hoylake) Limited is a private company limited by shares, incorporated in the United Kingdom and registered in England & Wales. The registered office is 2 Acrefield Road, Birkenhead, Merseyside, CH42 8LD.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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 judgment in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 Mental Health Care (UK) Limited as at 30 June 2017 and these financial statements may be obtained from the Registrar of Companies whose address is Companies House, Crown Way, Cardiff, CF14 3UZ.

1. Accounting policies (continued)

1.3 Going concern

The company's balance sheet shows a negative net worth which is due to a large intercompany creditor balance with the parent company. The board has sought and received confirmation from its parent company that they will continue to provide support to the company for at least 12 months from the date of these financial statements.

Liquidity is managed on a group wide basis with the group currently not being reliant on external finance and does not expect to be so for the foreseeable future.

The board has considered the group's and the company's future trading and cash flows for the foreseeable future, taking into account reasonably possible changes in trading performance, and has concluded that the group has adequate resources to continue in operational existence for the foreseeable future. The financial statements are thus prepared on a going concern basis.

1.4 Revenue

Turnover comprises revenue recognised for the provision of health and social care residential and in-patient services and ancillary services. Revenue is recognised exclusive of trade discounts and sales taxes. Revenue paid in advance is included in deferred income until the service is provided. Revenue in respect of services provided but not yet invoiced by the period end is included within accrued income.

1.5 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.

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:

Freehold property	- 50 years straight line
Fixtures, fittings and electrical equipment	- 5 years straight line
Computer equipment	- 3 years straight line
Assets under construction	- nil

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.

1. Accounting policies (continued)

1.6 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.

1.7 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.

1.8 Financial instruments

The company only enters into basic financial instruments 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 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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

1. Accounting policies (continued)

1.9 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.

1.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

1.12 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 balance sheet 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 Balance Sheet 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 balance sheet date.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions the actual results and outcomes may differ.

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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies

The critical judgements that the directors have made in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

Assessing indicators of impairment

In assessing whether there have been any indicators of impaired assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Recognition of deferred tax assets

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. .

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recoverability of receivables

The company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the aging of the receivables, past experience of recoverability and the credit profile of individual or groups of customers.

Determining residual values and useful economic lives of tangible fixed assets

The company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value, management aim to assess the amount that the company would currently obtain for the disposal of the asset if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

3. Turnover

All turnover arose within the United Kingdom.

4. Operating loss

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	176,991	176,464

5. Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor for the audit of the company's annual accounts	2,100	1,500
Fees payable to the company's auditor in respect of:		
All other services	660	600

6. Employees

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

	2017 No.	2016 No.
Service management and care staff	37	32

7. Taxation

	2017 £	2016 £
Deferred tax		
Origination and reversal of timing differences	(48,585)	(5,972)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	(55,449)	(185,109)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	(11,090)	(37,022)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	10,125	-
Other differences leading to a (decrease) / increase in the tax charge	(1,299)	9,866
Group relief	-	69,990
Transfer pricing adjustments	(46,321)	(48,806)
Total tax charge for the year	(48,585)	(5,972)

Factors that may affect future tax charges

Following the Budget in March 2016, the UK corporation tax rates are to remain at 20% from 1 April 2016 followed by a reduction to 19% from 1 April 2017 and a further reduction to 18% from 1 April 2020.

8. Tangible fixed assets

	Freehold property £	Fixtures & fittings £	Assets under construction £	Total £
Cost or valuation				
At 1 July 2016	3,137,302	584,530	563,841	4,285,673
Additions	-	408	-	408
At 30 June 2017	3,137,302	584,938	563,841	4,286,081
Depreciation				
At 1 July 2016	104,072	202,572	-	306,644
Charge for the year on owned assets	59,904	117,087	-	176,991
At 30 June 2017	163,976	319,659	-	483,635
Net book value				
At 30 June 2017	2,973,326	265,279	563,841	3,802,446
At 30 June 2016	3,033,230	381,958	563,841	3,979,029

Included in freehold property is freehold land at a cost of £142,088 (2016 - £142,088), which is not depreciated.

9. Debtors

	2017 £	2016 £
Trade debtors	147,123	158,245
Amounts owed by group undertakings	78,642	79,435
Prepayments and accrued income	9,836	3,129
	235,601	240,809

10. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	11,408	15,473

11. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	23,484	18,472
Amounts owed to group undertakings	4,721,302	4,850,342
Other taxation and social security	13,766	14,696
Other creditors	3,551	21,459
Accruals and deferred income	100,816	88,356
	4,862,919	4,993,325

12. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at amortised cost	237,174	253,153
Financial liabilities		
Financial liabilities measured at amortised cost	4,849,152	4,978,630

Financial assets measured at amortised cost comprise, cash and cash equivalents, trade debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors, accruals and deferred income.

13. Deferred taxation

	2017 £	2016 £
At beginning of year	70,585	76,557
Charged to profit or loss	(48,585)	(5,972)
At end of year	22,000	70,585

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	58,400	70,585
Tax losses carried forward	(36,400)	-
	22,000	70,585

14. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

15. Reserves

Profit & loss account

The profit & loss account comprises accumulated profits and losses less any dividends declared by the balance sheet date.

16. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £776 (2016 - £886). Contributions totalling £52 (2016 - £136) were payable to the fund at the balance sheet date and are included in creditors.

17. Related party transactions

The company has taken advantage of the exemption in FRS 102 section 33 not to disclose transactions with other wholly owned members of the group.

No other transactions with related parties were undertaken such as are required to be disclosed under FRS102 section 33.

18. Ultimate parent undertaking and controlling party

The company's ultimate parent undertaking is Mental Health Care (UK) Limited, a company registered in England and Wales, which prepares consolidated financial statements. As at 30 June 2017 the company's ultimate controlling party was Mr Michael Adey. On 14 November 2017 this control was transferred to Mrs J Adey.