

Mental Health Care (Plas Coch) Limited

Registered number 03335309

Director's report and financial statements

For the year ended 30 June 2013

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MENTAL HEALTH CARE (PLAS COCH) LIMITED

COMPANY INFORMATION

Directors	M Adey (appointed 2 November 2012) P Short (resigned 1 November 2102) L Reed (resigned 31 October 2012)
Company secretary	R Pino
Registered number	03335309
Registered office	Alexander House Highfield Park Llandymnog Denbighshire LL16 4LU
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 (PLAS COCH) LIMITED

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MENTAL HEALTH CARE (PLAS COCH) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2013

The director presents his report and the financial statements for the year ended 30 June 2013

Principal activities

The company's principal activity is the provision of hospital treatment for people with mental health conditions and challenging behaviour

On 2 November 2012 the company, and its immediate parent company, Mental Health Care (UK) Limited were acquired by Michael Adey. Prior to this, and as 30 June 2012, the company was an indirect subsidiary of Castle Holdings Limited, a company incorporated in Jersey

Directors

The directors who served during the year were

M Adey (appointed 2 November 2012)
P Short (resigned 1 November 2102)
L Reed (resigned 31 October 2012)

Director's responsibilities statement

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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

MENTAL HEALTH CARE (PLAS COCH) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2013

Principal risks and uncertainties

Risks & Uncertainties:

The director considers 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 company has mitigated this risk by developing a service that is sufficiently differentiated from the competition by means of both the behavioural model applied and the niche client group that the company's facilities care for.

The service users are principally funded by public sector sources, the company 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 a wide range of funding providers have placements within our services. The company will continue to review and amend its cost base to counteract funding changes.

The director has considered the MHC Group's and company's future 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 director has a reasonable expectation that the company and the MHC Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, he continues to adopt the going concern basis in preparing the annual report and financial statements.

Disclosure of information to auditor

The director at the time when this Director's Report is approved has confirmed that

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he 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

On 28 March 2013 Mazars LLP accepted appointment as auditors of the company succeeding Deloitte LLP. A resolution to re-appoint Mazars LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

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

This report was approved by the board on 28 MARCH 2014 and signed on its behalf



.....
R Pino
Company secretary

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

We have audited the financial statements of Mental Health Care (Plas Coch) Limited for the year ended 30 June 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

Respective responsibilities of director and auditor

As explained more fully in the Director's Responsibilities Statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, 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, or
- the director was not entitled to prepare the financial statements and the Director's Report in accordance with the small companies regime



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

28 March 2014

MENTAL HEALTH CARE (PLAS COCH) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2013

	Note	12 months ended 30 June 2013 £	As restated 18 months ended 30 June 2012 £
Turnover	1	1,861,953	2,655,943
Cost of sales		(1,702,668)	(2,491,878)
Gross profit		159,285	164,065
Administrative expenses		(393,036)	(551,994)
Loss on ordinary activities before taxation		(233,751)	(387,929)
Tax on loss on ordinary activities	3	14,594	94,585
Loss for the financial year	9	(219,157)	(293,344)

The notes on pages 8 to 13 form part of these financial statements

MENTAL HEALTH CARE (PLAS COCH) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 JUNE 2013

		12 months ended 30 June 2013 £	As restated 18 months ended 30 June 2012 £
	Note		
Loss for the financial year		(219,157)	(293,344)
Total recognised gains and losses relating to the year		(219,157)	(293,344)
Prior year adjustment	10	197,641	
Total gains and losses recognised since last financial statements		(21,516)	

The notes on pages 8 to 13 form part of these financial statements

MENTAL HEALTH CARE (PLAS COCH) LIMITED

Registered number 03335309

**BALANCE SHEET
AS AT 30 JUNE 2013**

	Note	£	2013 £	As restated 2012 £
Fixed assets				
Tangible assets	4		672,360	703,812
Current assets				
Debtors	5	382,268	289,815	
Cash at bank		9,379	6,891	
		<u>391,647</u>	<u>296,706</u>	
Creditors: amounts falling due within one year	6	<u>(1,308,954)</u>	<u>(1,189,764)</u>	
Net current liabilities			<u>(917,307)</u>	<u>(893,058)</u>
Net liabilities			<u>(244,947)</u>	<u>(189,246)</u>
Capital and reserves				
Called up share capital	8		2	2
Profit and loss account	9		<u>(244,949)</u>	<u>(189,248)</u>
Shareholders' deficit	11		<u>(244,947)</u>	<u>(189,246)</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 MARCH 2014.

..... 
M Adey
Director

The notes on pages 8 to 13 form part of these financial statements

MENTAL HEALTH CARE (PLAS COCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1 Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Going concern

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 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.

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.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years straight line
Motor vehicles	-	5 years straight line
Fixtures, fittings and electrical equipment	-	5 years straight line

MENTAL HEALTH CARE (PLAS COCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

2. Loss

The loss is stated after charging

	12 months ended 30 June 2013 £	As restated 18 months ended 30 June 2012 £
Depreciation of tangible fixed assets - owned by the company	29,617	48,392
Auditor's remuneration	4,992	7,488
Pension costs	3,600	10,438

During the year, no director received any emoluments (2012 - £NIL)

3 Taxation

	12 months ended 30 June 2013 £	18 months ended 30 June 2012 £
Analysis of tax charge/(credit) in the year/period		
Current tax		
Adjustments in respect of prior periods	-	1,652
	-	1,652
Group taxation relief	-	(94,585)
Total current tax	-	(92,933)
Deferred tax		
Origination and reversal of timing differences	(14,594)	(5,000)
Effect of increased tax rate on opening liability	-	3,348
Total deferred tax (see note 7)	(14,594)	(1,652)
Tax on loss on ordinary activities	(14,594)	(94,585)

MENTAL HEALTH CARE (PLAS COCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

4 Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures & fittings £	Other fixed assets £
Cost				
At 1 July 2012	857,728	19,388	99,071	5,015
Additions	2,220	-	960	19,336
Disposals	-	-	(6,668)	(24,351)
At 30 June 2013	859,948	19,388	93,363	-
Depreciation				
At 1 July 2012	186,725	19,388	71,277	-
Charge for the year	15,379	-	14,238	-
On disposals	-	-	(6,668)	-
At 30 June 2013	202,104	19,388	78,847	-
Net book value				
At 30 June 2013	657,844	-	14,516	-
At 30 June 2012	671,003	-	27,794	5,015
				Total £
Cost				
At 1 July 2012				981,202
Additions				22,516
Disposals				(31,019)
At 30 June 2013				972,699
Depreciation				
At 1 July 2012				277,390
Charge for the year				29,617
On disposals				(6,668)
At 30 June 2013				300,339
Net book value				
At 30 June 2013				672,360
At 30 June 2012				703,812

Included in freehold property is freehold land at cost of £91,000 (2012 - £91,000), which is not depreciated

MENTAL HEALTH CARE (PLAS COCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

5. Debtors

	2013 £	2012 £
Trade debtors	295,961	65,454
Amounts owed by group undertakings	21,984	65,706
Group relief	-	92,933
Other debtors	16,071	32,064
Deferred tax asset (see note 7)	48,252	33,658
	<u>382,268</u>	<u>289,815</u>

6 Creditors

Amounts falling due within one year

	2013 £	2012 £
Trade creditors	93,151	6,495
Amounts owed to group undertakings	973,658	978,352
Other taxation and social security	38,442	34,707
Other creditors	203,703	170,210
	<u>1,308,954</u>	<u>1,189,764</u>

As at 30 June 2013 there were no securities or cross guarantees in place. As at 30 June 2012 there were cross guarantees relating to the indebtedness of the company and its ultimate parent undertaking (Castle Holdings Limited) which were secured on the assets of the group companies totalling £226,607,000. These were released upon the acquisition of the company by Michael Adey on 2 November 2012.

7 Deferred tax asset

	2013 £	2012 £
At beginning of year/period	33,658	32,006
Released during year/period (P&L)	14,594	1,652
	<u>48,252</u>	<u>33,658</u>

The deferred tax asset is made up as follows

	2013 £	2012 £
Accelerated capital allowances	(29,036)	(43,630)
Tax losses carried forward	77,288	77,288
	<u>48,252</u>	<u>33,658</u>

MENTAL HEALTH CARE (PLAS COCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

8. Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2

9 Reserves

	Profit and loss account £
At 1 July 2012 (as previously stated)	(386,889)
Prior year adjustment (note 10)	197,641
At 1 July 2012 (as restated)	(189,248)
Loss for the financial year	(219,157)
Other movements	163,456
At 30 June 2013	(244,949)

The other movements above arose when the company's previous holding company, CB Care Limited, waived the intra-group loan balances due from the company

10 Prior year adjustment

The company's fixed asset accounting policy was changed during the year to include properties at cost, not at revaluation. The directors consider that the new policy provides a fairer presentation of the results and of the financial position of the company as these properties are used in the company's principal activity, are not for investment potential and are not available for sale. The comparative figures in the primary statements and notes have been restated to reflect the new policy.

The financial effect of these adjustments has been to reduce the revaluation reserve of the company at 1 January 2011 from £11,807,722 as previously reported to nil, increase the accumulated profit and loss reserve from the previously reported £35,870 by £68,226 to £104,096 and reduce the net book value of fixed assets by £11,807,322 from the previously reported £12,529,405 to £722,083.

In addition the loss for the 18 month period to 30 June 2012 has been decreased by £129,415 from (£422,759) as previously reported to (£293,344).

MENTAL HEALTH CARE (PLAS COCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

11 Reconciliation of movement in shareholders' deficit

	2013 £	2012 £
Opening shareholders' (deficit)/funds	(386,887)	11,911,422
Prior year adjustments (note 10)	197,641	(11,807,324)
Opening shareholders' (deficit)/funds (as restated)	(189,246)	104,098
Loss for the financial year/period	(219,157)	(293,344)
Other movements in profit and loss reserve	163,456	-
Closing shareholders' deficit	(244,947)	(189,246)

12. 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 £3,600 (2012 - £10,438). Contributions totalling £nil (2012 - £1,080) were payable to the fund at the balance sheet date and are included in creditors.

13 Related party transactions

The group have taken advantage of the exemption available under Financial Reporting Standard 8 relating to the disclosure of related party transactions between group companies.

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

14 Ultimate parent undertaking and controlling party

From 2 November 2012 the company's ultimate parent undertaking was Mental Health Care (UK) Limited, a company registered in England and Wales. As at 30 June 2013 the ultimate controlling party was Michael Adey.