

Mental Health Care (Plas Coch) Limited

Registered number: 03335309

Directors' report and financial statements

For the year ended 30 June 2015



MENTAL HEALTH CARE (PLAS COCH) LIMITED

COMPANY INFORMATION

Directors M Adey (resigned 4 September 2014)
J Adey (appointed 4 September 2014)
K Shields (appointed 4 September 2014)

Company secretary G Hallows

Registered number 03335309

Registered office Alexander House
Highfield Park
Llandyrnog
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

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2015

The directors present their report and the financial statements for the year ended 30 June 2015.

Principal activities

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

Directors

The directors who served during the year were:

M Adey (resigned 4 September 2014)
J Adey (appointed 4 September 2014)
K Shields (appointed 4 September 2014)

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). 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 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 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.

MENTAL HEALTH CARE (PLAS COCH) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2015

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

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.



.....
K Shields
Director

Date: 14/03/16

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 2015 which comprise the Profit and Loss Account, 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 directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 2015 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 Directors' 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 directors were not entitled to prepare the financial statements in accordance with the small companies' regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' 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

29 March 2016

MENTAL HEALTH CARE (PLAS COCH) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 £	2014 £
Turnover	1	2,497,615	2,368,456
Cost of sales		(2,335,661)	(2,243,902)
		<hr/>	<hr/>
Gross profit		161,954	124,554
Administrative expenses		(491,585)	(478,707)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(329,631)	(354,153)
Tax on loss on ordinary activities	3	(3,548)	(25,830)
		<hr/>	<hr/>
Loss for the financial year	9	(333,179)	(379,983)
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 7 to 11 form part of these financial statements.

MENTAL HEALTH CARE (PLAS COCH) LIMITED

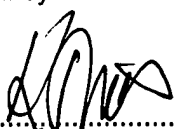
Registered number: 03335309

BALANCE SHEET AS AT 30 JUNE 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	4		657,589		670,473
Current assets					
Debtors	5	311,555		298,322	
Cash at bank and in hand		19,776		19,186	
		<u>331,331</u>		<u>317,508</u>	
Creditors: amounts falling due within one year	6	<u>(1,947,028)</u>		<u>(1,612,910)</u>	
Net current liabilities			<u>(1,615,697)</u>		<u>(1,295,402)</u>
Total assets less current liabilities			<u>(958,108)</u>		<u>(624,929)</u>
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account	9		<u>(958,110)</u>		<u>(624,931)</u>
Shareholders' deficit	10		<u>(958,108)</u>		<u>(624,929)</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 by:


.....
K Shields
Director

Date: 14/03/16

The notes on pages 7 to 11 form part of these financial statements.

MENTAL HEALTH CARE (PLAS COCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 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 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
Computer equipment	-	3 years straight line
Assets under construction	-	nil

1.6 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.

MENTAL HEALTH CARE (PLAS COCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2. Loss

The loss is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	24,901	26,137
Auditor's remuneration	3,000	3,000
Auditor's remuneration - non-audit	900	900
Pension costs	6,446	-
	<u>35,247</u>	<u>30,037</u>

During the year, no director received any emoluments (2014 - £NIL).

3. Taxation

	2015 £	2014 £
Analysis of tax charge in the year		
Deferred tax (see note 7)		
Origination and reversal of timing differences	3,548	25,830
Tax on loss on ordinary activities	<u>3,548</u>	<u>25,830</u>

Factors that may affect future tax charges

A corporation tax main rate of 20% was introduced with effect from 1 April 2015.

The government has set the corporation tax main rate at 20% for the year starting 1 April 2016. At Summer Budget 2015, the government announced legislation setting the Corporation Tax main rate at 19% for the years starting the 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020.

MENTAL HEALTH CARE (PLAS COCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

4. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures & fittings £	Assets under constructio n £	Total £
Cost					
At 1 July 2014	859,948	19,388	117,613	-	996,949
Additions	-	-	7,070	4,947	12,017
Disposals	-	(19,388)	(70,179)	-	(89,567)
At 30 June 2015	859,948	-	54,504	4,947	919,399
Depreciation					
At 1 July 2014	217,439	19,388	89,649	-	326,476
Charge for the year	15,335	-	9,566	-	24,901
On disposals	-	(19,388)	(70,179)	-	(89,567)
At 30 June 2015	232,774	-	29,036	-	261,810
Net book value					
At 30 June 2015	627,174	-	25,468	4,947	657,589
At 30 June 2014	642,509	-	27,964	-	670,473

Included in freehold property is freehold land at cost of £91,000 (2014 - £91,000), which is not depreciated.

5. Debtors

	2015 £	2014 £
Trade debtors	195,023	211,927
Amounts owed by group undertakings	80,503	40,022
Other debtors	17,155	23,951
Deferred tax asset (see note 7)	18,874	22,422
	311,555	298,322

MENTAL HEALTH CARE (PLAS COCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

6. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	63,212	112,573
Amounts owed to group undertakings	1,608,409	1,178,926
Other taxation and social security	22,680	38,244
Other creditors	252,727	283,167
	<u>1,947,028</u>	<u>1,612,910</u>

7. Deferred tax asset

	2015 £	2014 £
At beginning of year	22,422	48,252
Charge for the year	(3,548)	(25,830)
	<u>18,874</u>	<u>22,422</u>
At end of year	<u>18,874</u>	<u>22,422</u>

The deferred tax asset is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	<u>18,874</u>	<u>22,422</u>

8. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

9. Reserves

	Profit and loss account £
At 1 July 2014	(624,931)
Loss for the financial year	(333,179)
	<u>(958,110)</u>
At 30 June 2015	<u>(958,110)</u>

MENTAL HEALTH CARE (PLAS COCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

10. Reconciliation of movement in shareholders' deficit

	2015 £	2014 £
Opening shareholders' deficit	(624,929)	(244,946)
Loss for the financial year	(333,179)	(379,983)
	<hr/>	<hr/>
Closing shareholders' deficit	(958,108)	(624,929)
	<hr/>	<hr/>

11. 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 £6,446 (2014 - £NIL). Contributions totalling £1,110 (2014 - £NIL) were payable to the fund at the balance sheet date and are included in creditors.

12. 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.

13. 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. The company's ultimate controlling party is Mr Michael Adey.