

Mental Health Care (Clwyd) Limited

Registered number: 02120462

Directors' report and financial statements

For the year ended 30 June 2016

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MENTAL HEALTH CARE (CLWYD) LIMITED

COMPANY INFORMATION

Directors	J Adey (resigned 15 August 2016) K Shields (resigned 15 August 2016) K C Moore (appointed 15 August 2016) G Hallows (appointed 15 August 2016) A Crow (appointed 15 August 2016)
Company secretary	M Selwyn
Registered number	02120462
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 (CLWYD) LIMITED

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MENTAL HEALTH CARE (CLWYD) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2016

The directors present their report and the financial statements for the year ended 30 June 2016.

Principal activity

The company's principal activity is the provision of residential care for people with Mental Health conditions and challenging behaviour.

Directors

The directors who served during the year were:

J Adey (resigned 15 August 2016)
K Shields (resigned 15 August 2016)

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 financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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 (CLWYD) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

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.

Auditors

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.

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.



.....
G Hallows
Director

Date: 20/03/17

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

We have audited the financial statements of Mental Health Care (Clwyd) Limited for the year ended 30 June 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditor

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.

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 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 2016 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.

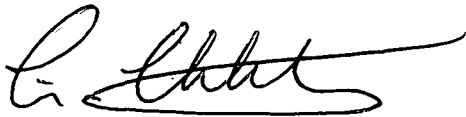
Opinion on the other matter prescribed by the Companies Act 2006

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;
- we have not received all the information and explanations we require for our audit;
- or the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic 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

20 March 2017

MENTAL HEALTH CARE (CLWYD) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 £	2015 £
Turnover	3	765,069	841,157
Cost of sales		(509,808)	(557,316)
Gross profit		<u>255,261</u>	<u>283,841</u>
Administrative expenses		(248,813)	(173,920)
Other operating income	4	<u>107,707</u>	<u>-</u>
Profit on ordinary activities before taxation	5	114,155	109,921
Tax on profit on ordinary activities	8	(5,555)	(6,059)
Profit for the financial year		<u><u>108,600</u></u>	<u><u>103,862</u></u>

There were no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 8 to 19 form part of these financial statements.

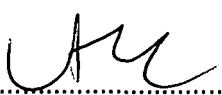
MENTAL HEALTH CARE (CLWYD) LIMITED
REGISTERED NUMBER: 02120462

BALANCE SHEET
AS AT 30 JUNE 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	9		729,131		729,392
Current assets					
Debtors: amounts falling due within one year	10	1,208,304		1,056,755	
Cash at bank and in hand	11	108,933		28,455	
		<u>1,317,237</u>		<u>1,085,210</u>	
Creditors: amounts falling due within one year	12	(655,674)		(538,063)	
Net current assets			661,563		547,147
Total assets less current liabilities			<u>1,390,694</u>		<u>1,276,539</u>
Provisions for liabilities					
Deferred tax	14	(9,779)		(4,224)	
			<u>(9,779)</u>		<u>(4,224)</u>
Net assets			<u>1,380,915</u>		<u>1,272,315</u>
Capital and reserves					
Called up share capital	15		100		100
Profit and loss account	16		1,380,815		1,272,215
			<u>1,380,915</u>		<u>1,272,315</u>

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:



A Crow
 Director

Date: 20/03/17

The notes on pages 8 to 19 form part of these financial statements.

MENTAL HEALTH CARE (CLWYD) LIMITED

**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	1,272,215	1,272,315
Comprehensive income for the year			
Profit for the year	-	108,600	108,600
At 30 June 2016	<u>100</u>	<u>1,380,815</u>	<u>1,380,915</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2014	100	1,168,353	1,168,453
Comprehensive income for the year			
Profit for the year	-	103,862	103,862
At 30 June 2015	<u>100</u>	<u>1,272,215</u>	<u>1,272,315</u>

The notes on pages 8 to 19 form part of these financial statements.

MENTAL HEALTH CARE (CLWYD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

Mental Health Care (Clwyd) Limited is a private company limited by shares, incorporated in the United Kingdom and registered in England & Wales. The registered office is Alexander House, Highfield Park, Llandyrnog, Denbighshire, LL16 4LU.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 July 2014.

The financial statements have been prepared under the historical cost convention 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.

Information on the impact of first-time adoption of FRS 102 is given in note 19.

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 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- 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 2016 and these financial statements may be obtained from the Registrar of Companies whose address is Companies House, Crown Way, Cardiff, CF14 3UZ.

1.3 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 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.

MENTAL HEALTH CARE (CLWYD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. Accounting policies (continued)

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.

Land is not depreciated. Depreciation on other assets 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.

1.6 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.

MENTAL HEALTH CARE (CLWYD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. Accounting policies (continued)

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 accounts receivable and payable, 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 payables or receivables, 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 Profit and Loss Account.

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.

1.9 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.

MENTAL HEALTH CARE (CLWYD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. Accounting policies (continued)

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 Profit and Loss Account 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 Profit and Loss Account, except that a change 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.

MENTAL HEALTH CARE (CLWYD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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.

Assessing operating lease commitments

The company has entered into leases as a lessee obtaining the use of land and buildings. The classification of such leases as operating or finance lease requires management to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

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.

MENTAL HEALTH CARE (CLWYD) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

2. Judgments in applying accounting policies (continued)**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. Other operating income

	2016 £	2015 £
Other operating income	107,707	-

Other operating income arises from a one-off claim made by the group against a number of local authorities in order to reclaim output VAT that had been paid to HMRC between 1 January 1993 and 21 March 2002. The costs associated with making this claim were £27,083 and are included in administrative expenses.

5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	11,752	13,479

During the year, no director received any emoluments (2015 - £NIL).

MENTAL HEALTH CARE (CLWYD) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

6. Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	1,500	1,500
Fees payable to the company's auditor and its associates in respect of:		
All other services	660	900

7. Employees

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	415,391	455,646
Social security costs	25,562	28,935
Pension costs	1,143	-
	<u>442,096</u>	<u>484,581</u>

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

	2016 No.	2015 No.
Service management and care staff	32	35

8. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	-	3,458
Adjustments in respect of previous periods	-	(221)
	-	<u>3,237</u>
Deferred tax		
Origination and reversal of timing differences	5,555	2,822
Taxation on profit on ordinary activities	<u>5,555</u>	<u>6,059</u>

MENTAL HEALTH CARE (CLWYD) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

8. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.75%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	114,154	109,921
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.75%)	22,831	22,809
Effects of:		
Adjustments to tax charge in respect of prior periods	-	(221)
Other differences leading to an increase (decrease) in the tax charge	(1,535)	1,137
Group relief	(21,835)	(22,385)
Transfer pricing adjustments	6,094	4,719
Total tax charge for the year	5,555	6,059

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.

MENTAL HEALTH CARE (CLWYD) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

9. Tangible fixed assets

	Freehold property £	Fixtures & fittings £	Assets under construction £	Total £
Cost or valuation				
At 1 July 2015	530,331	31,094	278,387	839,812
Additions	-	5,004	6,487	11,491
At 30 June 2016	<u>530,331</u>	<u>36,098</u>	<u>284,874</u>	<u>851,303</u>
Depreciation				
At 1 July 2015	83,020	27,400	-	110,420
Charge owned for the year	9,307	2,445	-	11,752
At 30 June 2016	<u>92,327</u>	<u>29,845</u>	<u>-</u>	<u>122,172</u>
Net book value				
At 30 June 2016	<u>438,004</u>	<u>6,253</u>	<u>284,874</u>	<u>729,131</u>
At 30 June 2015	<u>447,311</u>	<u>3,694</u>	<u>278,387</u>	<u>729,392</u>

Included in freehold property is freehold land at cost of £65,000 (2015 - £65,000), which is not depreciated.

MENTAL HEALTH CARE (CLWYD) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

10. Debtors

	2016 £	2015 £
Trade debtors	64,806	90,014
Amounts owed by group undertakings	1,098,812	959,435
Prepayments and accrued income	44,686	7,306
	<u>1,208,304</u>	<u>1,056,755</u>

11. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>108,933</u>	<u>28,455</u>

12. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	12,692	18,539
Amounts owed to group undertakings	521,527	452,710
Corporation tax	-	3,458
Taxation and social security	24,244	8,064
Other creditors	14,427	431
Accruals and deferred income	82,784	54,861
	<u>655,674</u>	<u>538,063</u>

MENTAL HEALTH CARE (CLWYD) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

13. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at amortised cost	1,272,551	1,077,904
	<u>1,272,551</u>	<u>1,077,904</u>
Financial liabilities		
Financial liabilities measured at amortised cost	631,431	526,541
	<u>631,431</u>	<u>526,541</u>

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.

14. Deferred taxation

	2016 £	2015 £
At beginning of year	4,224	1,402
Charged to the profit or loss	5,555	2,822
	<u>9,779</u>	<u>4,224</u>
At end of year	<u>9,779</u>	<u>4,224</u>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	9,779	4,224
	<u>9,779</u>	<u>4,224</u>

15. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

MENTAL HEALTH CARE (CLWYD) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

16. Reserves

Profit & loss account

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

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

19. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.