

**Company registration number: 07378111**

**Morecambe Care Limited**

**Unaudited filleted financial statements**

**31 March 2022**

# **Morecambe Care Limited**

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## **Morecambe Care Limited**

### **Directors and other information**

|                          |                                                                                                                                         |
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| <b>Directors</b>         | Rodney Harold Taylor<br>Karen Mary Taylor<br>Hilary Briggs                                                                              |
| <b>Company number</b>    | 07378111                                                                                                                                |
| <b>Registered office</b> | 43-47 Thornton Road<br>Morecambe<br>Lancashire<br>LA4 5PD                                                                               |
| <b>Business address</b>  | 43-47 Thornton Road<br>Morecambe<br>LA4 5PD                                                                                             |
| <b>Accountants</b>       | Riverside Accountancy Lancaster Limited<br>Riverside Offices, Second Floor<br>26 St George's Quay<br>Lancaster<br>Lancashire<br>LA1 1RD |

**Bankers**

Barclays Bank plc  
38 Market Street  
Lancaster  
LA1 1HS

## **Morecambe Care Limited**

### **Chartered accountants report to the board of directors on the preparation of the unaudited statutory financial statements of Morecambe Care Limited**

**Year ended 31 March 2022**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Morecambe Care Limited for the year ended 31 March 2022 which comprise the statement of financial position and related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the board of directors of Morecambe Care Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Morecambe Care Limited and state those matters that we have agreed to state to the board of directors of Morecambe Care Limited as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Morecambe Care Limited and its board of directors as a body for our work or for this report.

It is your duty to ensure that Morecambe Care Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Morecambe Care Limited. You consider that Morecambe Care Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Morecambe Care Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Riverside Accountancy Lancaster Limited

Chartered Accountants and Registered Auditors

Riverside Offices, Second Floor

26 St George's Quay

Lancaster

Lancashire

LA1 1RD

22 December 2022

**Morecambe Care Limited**

**Statement of financial position**

**31 March 2022**

|                                                                | Note | 2022<br>£  | £         | 2021<br>£  | £         |
|----------------------------------------------------------------|------|------------|-----------|------------|-----------|
| <b>Fixed assets</b>                                            |      |            |           |            |           |
| Intangible assets                                              | 5    | 370,001    |           | 425,000    |           |
| Tangible assets                                                | 6    | 957,867    |           | 989,821    |           |
|                                                                |      |            |           |            |           |
|                                                                |      |            | 1,327,868 |            | 1,414,821 |
| <b>Current assets</b>                                          |      |            |           |            |           |
| Stocks                                                         |      | 6,506      |           | 3,000      |           |
| Debtors:                                                       |      |            |           |            |           |
| Amounts falling due within one year                            | 7    | 1,993,511  |           | 1,788,390  |           |
| Cash at bank and in hand                                       |      | 101,563    |           | 18,315     |           |
|                                                                |      |            |           |            |           |
|                                                                |      | 2,101,580  |           | 1,809,705  |           |
| <b>Creditors: amounts falling due within one year</b>          |      |            |           |            |           |
|                                                                | 8    | ( 673,927) |           | ( 675,262) |           |
| <b>Net current assets</b>                                      |      |            |           |            |           |
|                                                                |      |            | 1,427,653 |            | 1,134,443 |
| <b>Total assets less current liabilities</b>                   |      |            |           |            |           |
|                                                                |      |            | 2,755,521 |            | 2,549,264 |
| <b>Creditors: amounts falling due after more than one year</b> |      |            |           |            |           |
|                                                                | 9    | ( 490,296) |           | ( 534,701) |           |
| <b>Provisions for liabilities</b>                              |      |            |           |            |           |
|                                                                |      |            | ( 44,460) |            | ( 47,725) |
| <b>Net assets</b>                                              |      |            |           |            |           |
|                                                                |      |            | 2,220,765 |            | 1,966,838 |
| <b>Capital and reserves</b>                                    |      |            |           |            |           |
| Called up share capital                                        | 10   |            | 100       |            | 100       |
| Profit and loss account                                        |      |            | 2,220,665 |            | 1,966,738 |
| <b>Shareholders funds</b>                                      |      |            |           |            |           |
|                                                                |      |            | 2,220,765 |            | 1,966,838 |

For the year ending 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 21 December 2022 , and are signed on behalf of the board by:

Hilary Briggs

Director

Company registration number: 07378111

# **Morecambe Care Limited**

## **Notes to the financial statements**

**Year ended 31 March 2022**

### **1. General information**

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is Thornton Lodge Care Limited, 43-47 Thornton Road, Morecambe, Lancashire, LA4 5PD.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The financial statements have been rounded to the nearest £1.

#### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable for services rendered, net of discounts and Value Added Tax.

When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period.

#### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

## **Goodwill**

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

## **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

|          |                 |
|----------|-----------------|
| Goodwill | - 3 to 20 years |
|----------|-----------------|

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

## **Tangible assets**

tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

## **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

|                                 |                         |
|---------------------------------|-------------------------|
| Freehold property               | - 50 years              |
| Fittings fixtures and equipment | - 15 % reducing balance |
| Motor vehicles                  | - 25 % reducing balance |
| Computer Equipment              | - 33 % straight line    |

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

## **Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

## **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

## **Government grants**

COVID -19, the various support initiatives for businesses from local, National Government and other Industry or sector organisations have been collectively recognised as Government grants.

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

## **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

## **Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

## **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

## **Share-based payments**

Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. This is based upon the company's estimate of the shares or share options that will eventually vest which takes into account all vesting conditions and non-market performance conditions, with adjustments being made where new information indicates the number of shares or share options expected to vest differs from previous estimates. Fair value is determined using an appropriate pricing model. All market conditions and non-vesting conditions are taken into account when estimating the fair value of the shares or share options. As long as all other vesting conditions are satisfied, no adjustment is made irrespective of whether market or non-vesting conditions are met. Where the terms of an equity-settled transaction are modified, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the fair value of the transaction, as measured at the date of modification. Where an equity-settled transaction is cancelled or settled, it is treated as if it had vested on the date of cancellation or settlement, and any expense not yet recognised in profit or loss is expensed immediately. Cash-settled share-based payment transactions are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

## **4. Employee numbers**

The average number of persons employed by the company during the year amounted to 99 (2021: 92 ).

## 5. Intangible assets

|                                   | Goodwill<br>£ | Total<br>£ |
|-----------------------------------|---------------|------------|
| <b>Cost</b>                       |               |            |
| At 1 April 2021 and 31 March 2022 | 1,135,000     | 1,135,000  |
| <b>Amortisation</b>               |               |            |
| At 1 April 2021                   | 710,000       | 710,000    |
| Charge for the year               | 54,999        | 54,999     |
| <b>At 31 March 2022</b>           | 764,999       | 764,999    |
| <b>Carrying amount</b>            |               |            |
| At 31 March 2022                  | 370,001       | 370,001    |
| At 31 March 2021                  | 425,000       | 425,000    |

## 6. Tangible assets

|                         | Freehold<br>property<br>£ | Fixtures,<br>fittings and<br>equipment<br>£ | Motor<br>vehicles<br>£ | Computer<br>equipment<br>£ | Total<br>£ |
|-------------------------|---------------------------|---------------------------------------------|------------------------|----------------------------|------------|
| <b>Cost</b>             |                           |                                             |                        |                            |            |
| At 1 April 2021         | 845,860                   | 475,261                                     | 33,435                 | 9,323                      | 1,363,879  |
| Additions               | -                         | 23,100                                      | -                      | 3,673                      | 26,773     |
| Disposals               | -                         | ( 513)                                      | -                      | ( 237)                     | ( 750)     |
| <b>At 31 March 2022</b> | 845,860                   | 497,848                                     | 33,435                 | 12,759                     | 1,389,902  |
| <b>Depreciation</b>     |                           |                                             |                        |                            |            |
| At 1 April 2021         | 107,221                   | 249,286                                     | 11,781                 | 5,770                      | 374,058    |
| Charge for the year     | 14,773                    | 36,258                                      | 5,413                  | 2,204                      | 58,648     |
| Disposals               | -                         | ( 458)                                      | -                      | ( 213)                     | ( 671)     |
| <b>At 31 March 2022</b> | 121,994                   | 285,086                                     | 17,194                 | 7,761                      | 432,035    |
| <b>Carrying amount</b>  |                           |                                             |                        |                            |            |
| At 31 March 2022        | 723,866                   | 212,762                                     | 16,241                 | 4,998                      | 957,867    |
| At 31 March 2021        | 738,639                   | 225,975                                     | 21,654                 | 3,553                      | 989,821    |

## 7. Debtors

Debtors falling due within one year are as follows:

|               | 2022             | 2021             |
|---------------|------------------|------------------|
|               | £                | £                |
| Trade debtors | 52,345           | 78,995           |
| Other debtors | 1,941,166        | 1,709,395        |
|               | <u>1,993,511</u> | <u>1,788,390</u> |

## 8. Creditors: amounts falling due within one year

|                           | 2022           | 2021           |
|---------------------------|----------------|----------------|
|                           | £              | £              |
| Bank loans and overdrafts | 45,341         | 87,755         |
| Trade creditors           | 109,703        | 111,553        |
| Other creditors           | 518,883        | 475,954        |
|                           | <u>673,927</u> | <u>675,262</u> |

## 9. Creditors: amounts falling due after more than one year

|                           | 2022           | 2021           |
|---------------------------|----------------|----------------|
|                           | £              | £              |
| Bank loans and overdrafts | 35,000         | 42,500         |
| Other creditors           | 455,296        | 492,201        |
|                           | <u>490,296</u> | <u>534,701</u> |

## 10. Called up share capital

### Issued, called up and fully paid

|                                       | 2022       |            | 2021       |            |
|---------------------------------------|------------|------------|------------|------------|
|                                       | No         | £          | No         | £          |
| Ordinary shares shares of £ 1.00 each | 100        | 100        | 100        | 100        |
|                                       | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |

## 11. Operating leases

### The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

|                                              | £       | £       |
|----------------------------------------------|---------|---------|
| Not later than 1 year                        | 133,364 | 130,774 |
| Later than 1 year and not later than 5 years | 332,029 | 449,223 |
| Later than 5 years                           | 15,456  | 28,387  |
|                                              | <hr/>   | <hr/>   |
|                                              | 480,849 | 608,384 |
|                                              | <hr/>   | <hr/>   |

## 12. Charge on assets

There is a fixed charge on all properties which is held by the company's bankers Barclays Bank PLC. Barclays Bank PLC also holds a general debenture over all assets of the company. There is also a limited guarantee from the directors to Barclays Bank PLC.

### 13. Directors advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

#### 2022

|                      | Balance<br>brought<br>forward<br>£ | Advances<br>/(credits) to<br>the directors<br>£ | Amounts<br>repaid<br>£ | Balance<br>o/standing<br>£ |
|----------------------|------------------------------------|-------------------------------------------------|------------------------|----------------------------|
| Rodney Harold Taylor | 312,706                            | 146,586                                         | ( 65,396)              | 393,896                    |
| Karen Mary Taylor    | 304,734                            | 134,191                                         | ( 45,072)              | 393,853                    |
|                      | <u>617,440</u>                     | <u>280,777</u>                                  | <u>( 110,468)</u>      | <u>787,749</u>             |

#### 2021

|                      | Balance<br>brought<br>forward<br>£ | Advances<br>/(credits) to<br>the directors<br>£ | Amounts<br>repaid<br>£ | Balance<br>o/standing<br>£ |
|----------------------|------------------------------------|-------------------------------------------------|------------------------|----------------------------|
| Rodney Harold Taylor | 236,688                            | 112,768                                         | ( 36,750)              | 312,706                    |
| Karen Mary Taylor    | 236,688                            | 113,584                                         | ( 45,538)              | 304,734                    |
|                      | <u>473,376</u>                     | <u>226,352</u>                                  | <u>( 82,288)</u>       | <u>617,440</u>             |

### 14. Related party transactions

Included within debtors are balances due from connected parties, totalling £854,578 (2021: £846,986).

### 15. Controlling party

The company is controlled by the directors.

### 16. Coronavirus Bounce Back Loan

The company took out a Coronavirus Bounce Back Loan in June 2020 for £50,000. This loan is a 100% government backed loan with no interest or capital repayments for 12 months and repayment terms of up to 5 years. In year 1 the interest is paid by the government and therefore in line with FRS 102 the interest has been charged to the profit and loss account with a corresponding credit to government grants. From year 2 onwards, the interest rate charged is 2.5% which is deemed to be market value given that the company has gone to market and been offered this rate by the bank. Interest is being charged using the amortised cost model over the period of the loan.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.