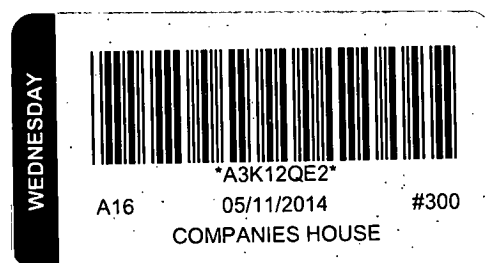


**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014
FOR
ADL LEASED HOMES LTD**



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FOR THE YEAR ENDED 31 MARCH 2014**

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ADL LEASED HOMES LTD

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2014**

DIRECTORS: W J Davies
Mrs P L Jackson

SECRETARY: W J Davies

REGISTERED OFFICE: c/o Cox Costello
Langwood House
63-81 High Street
Rickmansworth
Hertfordshire
WD3 1EQ

REGISTERED NUMBER: 02522031 (England and Wales)

SENIOR STATUTORY AUDITOR: Michael F Cox BSC FCA

AUDITORS: Cox Costello & Horne Limited
Chartered Accountants and Statutory Auditors
Langwood House
63-81 High Street
Rickmansworth
Hertfordshire
WD3 1EQ

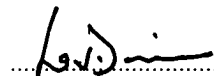
**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2014**

The directors present their strategic report for the year ended 31 March 2014.

REVIEW OF BUSINESS

The results for the year were satisfactory showing an increase in underlying profits during a tough year for the economy and the sector.

ON BEHALF OF THE BOARD:



.....
W J Davies - Secretary

Date: 22/9/14

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2014**

The directors present their report with the financial statements of the company for the year ended 31 March 2014.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of Nursing care homes.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2014.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2013 to the date of this report.

W J Davies
Mrs P L Jackson

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements 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.


STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Cox Costello & Horne Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
W J Davies - Secretary

Date: 22/9/14

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ADL LEASED HOMES LTD**

We have audited the financial statements of ADL Leased Homes Ltd for the year ended 31 March 2014 on pages five to fourteen. 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).

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 a Report of the Auditors 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 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 other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors 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.



Michael F Cox BSC FCA (Senior Statutory Auditor)
for and on behalf of Cox Costello & Horne Limited
Chartered Accountants and Statutory Auditors
Langwood House
63-81 High Street
Rickmansworth
Hertfordshire
WD3 1EQ

Date: 22-9-14

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014**

	Notes	31.3.14 £	31.3.13 £
TURNOVER	2	1,708,072	1,656,212
Cost of sales		<u>952,418</u>	<u>956,975</u>
GROSS PROFIT		755,654	699,237
Administrative expenses		<u>641,908</u>	<u>617,444</u>
OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	113,746	81,793
Tax on profit on ordinary activities	5	<u>29,103</u>	<u>13,508</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>84,643</u></u>	<u><u>68,285</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2014**

	31.3.14	31.3.13
	£	£
PROFIT FOR THE FINANCIAL YEAR	84,643	68,285
Unrealised deficit on revaluation of properties	(26,500)	(40,000)
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>58,143</u>	<u>28,285</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

BALANCE SHEET
31 MARCH 2014

	Notes	31.3.14 £	£	31.3.13 £	£
FIXED ASSETS					
Tangible assets	6		635,147		625,068
CURRENT ASSETS					
Debtors	7	241,330		300,692	
Cash at bank and in hand		288,508		97,531	
		<u>529,838</u>		<u>398,223</u>	
CREDITORS					
Amounts falling due within one year	8	350,241		277,990	
NET CURRENT ASSETS			<u>179,597</u>		<u>120,233</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>814,744</u>		<u>745,301</u>
PROVISIONS FOR LIABILITIES	10		<u>11,300</u>		-
NET ASSETS			<u><u>803,444</u></u>		<u><u>745,301</u></u>
CAPITAL AND RESERVES					
Called up share capital	11		51,000		51,000
Revaluation reserve	12		545,016		571,516
Profit and loss account	12		207,428		122,785
SHAREHOLDERS' FUNDS	15		<u><u>803,444</u></u>		<u><u>745,301</u></u>

The financial statements were approved by the Board of Directors on 22.9.14 and were signed on its behalf by:


W J Davies - Director

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

	Notes	31.3.14 £	31.3.13 £
Net cash inflow from operating activities	1	268,885	67,539
Taxation		(15,772)	(15,500)
Capital expenditure	2	(62,136)	(40,090)
Increase in cash in the period		<u>190,977</u>	<u>11,949</u>

**Reconciliation of net cash flow
to movement in net funds**

	3		
Increase in cash in the period		<u>190,977</u>	<u>11,949</u>
Change in net funds resulting from cash flows		<u>190,977</u>	<u>11,949</u>
Movement in net funds in the period		<u>190,977</u>	<u>11,949</u>
Net funds at 1 April		<u>97,531</u>	<u>85,582</u>
Net funds at 31 March		<u>288,508</u>	<u>97,531</u>

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.3.14 £	31.3.13 £
Operating profit	113,746	81,793
Depreciation charges	25,557	10,022
(Decrease)/increase in group debt	41,863	(50,169)
Decrease in debtors	72,983	68,220
Increase/(decrease) in creditors	14,736	(42,327)
Net cash inflow from operating activities	268,885	67,539

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.3.14 £	31.3.13 £
Capital expenditure		
Purchase of tangible fixed assets	(62,136)	(40,090)
Net cash outflow for capital expenditure	(62,136)	(40,090)

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.13 £	Cash flow £	At 31.3.14 £
Net cash:			
Cash at bank and in hand	97,531	190,977	288,508
	<u>97,531</u>	<u>190,977</u>	<u>288,508</u>
Total	<u>97,531</u>	<u>190,977</u>	<u>288,508</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

1. ACCOUNTING POLICIES**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover represents invoiced sales of services

Tangible fixed assets

Depreciation is provided in order to write off each asset over its estimated useful life except land and buildings which the company maintains to a level which retains the valuation. All related improvements, repairs and renewals are written off as incurred.

Depreciation on Other Assets is provided at 25% per annum on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31.3.14	31.3.13
	£	£
United Kingdom	1,708,072	1,656,212
	<u>1,708,072</u>	<u>1,656,212</u>

3. STAFF COSTS

	31.3.14	31.3.13
	£	£
Wages and salaries	766,769	768,886
Social security costs	29,502	31,249
	<u>796,271</u>	<u>800,135</u>

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

	31.3.14	31.3.13
Nursing and care	56	57
Cleaning, catering and maintenance	27	28
Management and administration	3	3
	<u>86</u>	<u>88</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	31.3.14	31.3.13
	£	£
Depreciation - owned assets	25,557	10,022
Auditors' remuneration	4,500	4,075
Auditors' remuneration for non audit work	1,500	2,000
	<u>31,557</u>	<u>16,100</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014

4. OPERATING PROFIT - continued

Directors' remuneration	-	-
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5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.3.14	31.3.13
	£	£
Current tax:		
UK corporation tax	15,539	15,772
Deferred tax	13,564	(2,264)
Tax on profit on ordinary activities	29,103	13,508

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.14	31.3.13
	£	£
Profit on ordinary activities before tax	113,746	81,793
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2013 - 24%)	26,162	19,630
Effects of:		
Capital allowances in excess of depreciation	(9,298)	(2,090)
Marginal tax rate relief	(1,325)	(1,768)
Current tax charge	15,539	15,772

6. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Totals £
COST OR VALUATION			
At 1 April 2013	595,000	40,090	635,090
Additions	-	62,136	62,136
Revaluations	(26,500)	-	(26,500)
At 31 March 2014	568,500	102,226	670,726
DEPRECIATION			
At 1 April 2013	-	10,022	10,022
Charge for year	-	25,557	25,557
At 31 March 2014	-	35,579	35,579
NET BOOK VALUE			
At 31 March 2014	568,500	66,647	635,147
At 31 March 2013	595,000	30,068	625,068

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014

6. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 March 2014 is represented by:

	Short leasehold £	Fixtures and fittings £	Totals £
Valuation in 2012	611,516	-	611,516
Valuation in 2013	(40,000)	-	(40,000)
Valuation in 2014	(26,500)	-	(26,500)
Cost	23,484	102,226	125,710
	<u>568,500</u>	<u>102,226</u>	<u>670,726</u>

If Short leasehold properties had not been revalued they would have been included at the following historical cost:

	31.3.14 £	31.3.13 £
Cost	<u>23,484</u>	<u>23,484</u>

Short leasehold properties were valued on an open market basis on 31 March 2012 by Christie + Co., London.

The value of the building has been considered by W J Davies, a director of the company who is retired RICS qualified. This has led to the downwards valuation in 2014 of £26,500 (2013 - £40,000). A full independent valuation is carried out every 5 years.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.14 £	31.3.13 £
Trade debtors	75,632	146,627
Amounts owed by group undertakings	151,876	135,992
Amounts owed by participating interests	7,053	7,052
Other debtors	-	1,325
Deferred tax asset	-	2,264
Prepayments and accrued income	6,769	7,432
	<u>241,330</u>	<u>300,692</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.14 £	31.3.13 £
Trade creditors	51,768	46,645
Amounts owed to participating interests	191,375	133,627
Tax	15,539	15,772
Social security and other taxes	12,424	12,785
Other creditors	73,470	59,793
Accruals and deferred income	5,665	9,368
	<u>350,241</u>	<u>277,990</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014

9. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Other operating leases 31.3.14 £	31.3.13 £
Expiring: In more than five years	<u>120,000</u>	<u>120,000</u>

10. PROVISIONS FOR LIABILITIES

	31.3.14 £	
Deferred tax	<u>11,300</u>	
		Deferred tax £
Balance at 1 April 2013		(2,264)
Provided during year		13,564
Excess capital allowances		
Balance at 31 March 2014		<u>11,300</u>

11. CALLED UP SHARE CAPITAL

Number:	Class:	Nominal value:	31.3.14 £	31.3.13 £
50,000	Share capital A Shares	£1	50,000	50,000
1,000	Share capital B Shares	£1	1,000	1,000
			<u>51,000</u>	<u>51,000</u>

12. RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 April 2013	122,785	571,516	694,301
Profit for the year	84,643		84,643
Property revaluation	-	(26,500)	(26,500)
At 31 March 2014	<u>207,428</u>	<u>545,016</u>	<u>752,444</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014

13. RELATED PARTY DISCLOSURES

As the Company is a wholly owned subsidiary of ADL plc and as the consolidated financial statements are publicly available, the Company has taken advantage of the Financial Reporting Standard No.8 exemption from disclosing transactions with group undertakings.

The following inter-company balances were owed to the company as at the year end:

	2014	2013
	£	£
ADL PLC	151,876	110,992
Woodland Nursing Home Ltd	-	15,000
Solutions (Yorkshire) Ltd	-	10,000

The company has a partnership agreement with North Lincolnshire Council which, during the year, earned North Lincolnshire Council a total of £238,750 (2013:£201,794). At the year end ADL Leased Homes Ltd owed North Lincolnshire Council a total of £191,375 (2013: 133,627).

14. ULTIMATE CONTROLLING PARTY

The Company is a wholly owned subsidiary company of ADL plc (a company incorporated in England and Wales) and Group Financial Statements are available from Companies House.

In the Directors' opinion, Mr W J Davies was the controlling party on 31 March 2014 of the Company as he owned a majority of shares in ADL plc.

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.3.14	31.3.13
	£	£
Profit for the financial year	84,643	68,285
Other recognised gains and losses relating to the year (net)	(26,500)	(40,000)
Net addition to shareholders' funds	58,143	28,285
Opening shareholders' funds	745,301	717,016
Closing shareholders' funds	803,444	745,301