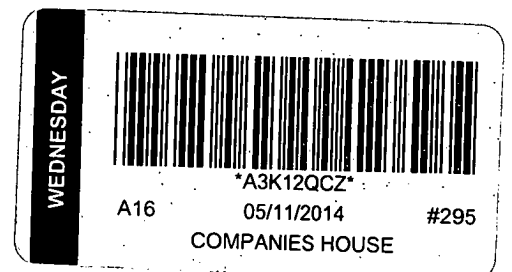


**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014
FOR
SOLUTIONS (YORKSHIRE) LIMITED**



CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	4
Profit and Loss Account	5
Statement of Total Recognised Gains and Losses	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Financial Statements	10
Trading and Profit and Loss Account	15

SOLUTIONS (YORKSHIRE) LIMITED

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

DIRECTORS:

Mrs P L Jackson
W J Davies

SECRETARY:

W J Davies

REGISTERED OFFICE:

Corbie Steps
89 Harehills Lane
Leeds
LS7 4HA

REGISTERED NUMBER:

03872601 (England and Wales)

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 24 hour nursing care.

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.

Mrs P L Jackson
W J Davies

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 SOLUTIONS (YORKSHIRE) LIMITED

We have audited the financial statements of Solutions (Yorkshire) Limited 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		1,046,177	970,093
Cost of sales		<u>621,666</u>	<u>610,915</u>
GROSS PROFIT		424,511	359,178
Administrative expenses		<u>342,352</u>	<u>309,690</u>
OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	82,159	49,488
Tax on profit on ordinary activities	4	<u>17,021</u>	<u>10,216</u>
PROFIT FOR THE FINANCIAL YEAR		<u>65,138</u>	<u>39,272</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	65,138	39,272
Unrealised deficit on revaluation of properties	(300,000)	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	(234,862)	39,272

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	5	2,761,616	3,064,940
CURRENT ASSETS			
Stocks	6	1,000	1,000
Debtors	7	103,098	235,769
Cash at bank and in hand		54,540	22,501
		<u>158,638</u>	<u>259,270</u>
CREDITORS			
Amounts falling due within one year	8	<u>779,383</u>	<u>947,224</u>
NET CURRENT LIABILITIES		<u>(620,745)</u>	<u>(687,954)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,140,871</u>	<u>2,376,986</u>
PROVISIONS FOR LIABILITIES	9	<u>1,735</u>	<u>2,988</u>
NET ASSETS		<u><u>2,139,136</u></u>	<u><u>2,373,998</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Revaluation reserve	11	1,866,807	2,166,807
Profit and loss account	11	<u>272,229</u>	<u>207,091</u>
SHAREHOLDERS' FUNDS	15	<u><u>2,139,136</u></u>	<u><u>2,373,998</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 MRICS - 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	51,474	25,678
Taxation		(11,916)	(33,000)
Capital expenditure	2	(7,519)	-
Increase/(decrease) in cash in the period		<u>32,039</u>	<u>(7,322)</u>

Reconciliation of net cash flow to movement in net funds	3		
Increase/(decrease) in cash in the period		<u>32,039</u>	<u>(7,322)</u>
Change in net funds resulting from cash flows		<u>32,039</u>	<u>(7,322)</u>
Movement in net funds in the period		<u>32,039</u>	<u>(7,322)</u>
Net funds at 1 April		<u>22,501</u>	<u>29,823</u>
Net funds at 31 March		<u>54,540</u>	<u>22,501</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	82,159	49,488
Depreciation charges	10,843	8,964
(Decrease)/increase in group debt	(120,196)	2,856
Decrease/(increase) in debtors	78,671	(100,894)
(Decrease)/increase in creditors	(3)	65,264
Net cash inflow from operating activities	51,474	25,678

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	(7,519)	-
Net cash outflow for capital expenditure	(7,519)	-

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	22,501	32,039	54,540
	<u>22,501</u>	<u>32,039</u>	<u>54,540</u>
Total	<u>22,501</u>	<u>32,039</u>	<u>54,540</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

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

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

2. STAFF COSTS

	31.3.14	31.3.13
	£	£
Wages and salaries	460,267	476,499
Social security costs	30,397	33,576
	<u>490,664</u>	<u>510,075</u>

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

	31.3.14	31.3.13
Nursing and care	43	43
Cleaning, catering and maintenance	21	21
Management and administration	2	2
	<u>66</u>	<u>66</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.3.14	31.3.13
	£	£
Depreciation - owned assets	10,843	8,964
Auditors' remuneration	4,000	3,700
Auditors' remuneration for non audit work	2,000	2,000
	<u>16,843</u>	<u>14,664</u>
Directors' remuneration	-	-
	<u>-</u>	<u>-</u>

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

4. 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	18,274	11,916
Deferred tax	(1,253)	(1,700)
Tax on profit on ordinary activities	<u>17,021</u>	<u>10,216</u>

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	<u>82,159</u>	<u>49,488</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2013 - 24%)	18,897	11,877
Effects of:		
Depreciation in excess of capital allowances	616	39
Marginal tax rate relief	(1,239)	-
Current tax charge	<u>18,274</u>	<u>11,916</u>

5. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST OR VALUATION			
At 1 April 2013	3,050,000	35,856	3,085,856
Additions	-	7,519	7,519
Revaluations	(300,000)	-	(300,000)
At 31 March 2014	<u>2,750,000</u>	<u>43,375</u>	<u>2,793,375</u>
DEPRECIATION			
At 1 April 2013	-	20,916	20,916
Charge for year	-	10,843	10,843
At 31 March 2014	-	<u>31,759</u>	<u>31,759</u>
NET BOOK VALUE			
At 31 March 2014	<u>2,750,000</u>	<u>11,616</u>	<u>2,761,616</u>
At 31 March 2013	<u>3,050,000</u>	<u>14,940</u>	<u>3,064,940</u>

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

5. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 March 2014 is represented by:

	Freehold property £	Fixtures and fittings £	Totals £
Valuation in 2006	1,516,807	-	1,516,807
Valuation in 2007	315,000	-	315,000
Valuation in 2008	(265,000)	-	(265,000)
Valuation in 2009	400,000	-	400,000
Valuation in 2011	190,000	-	190,000
Valuation in 2012	10,000	-	10,000
Valuation in 2014	(300,000)	-	(300,000)
Cost	883,193	43,375	926,568
	<u>2,750,000</u>	<u>43,375</u>	<u>2,793,375</u>

If freehold land and buildings had not been revalued it would have been included at the following historical cost:

	31.3.14 £	31.3.13 £
Cost	<u>883,193</u>	<u>883,193</u>

Freehold land and buildings was 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 £300,000. A full valuation is carried out every 5 years.

6. STOCKS

	31.3.14 £	31.3.13 £
Stocks	<u>1,000</u>	<u>1,000</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.14 £	31.3.13 £
Trade debtors	96,137	177,704
Amounts owed by group undertakings	-	54,000
Other debtors	2,864	-
Prepayments and accrued income	4,097	4,065
	<u>103,098</u>	<u>235,769</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.14 £	31.3.13 £
Trade creditors	20,115	17,164
Amounts owed to group undertakings	581,043	755,599
Amounts owed to participating interests	20,360	20,000
Tax	17,948	11,590
Social security and other taxes	17,731	14,232
Other creditors	122,186	128,639
	<u>779,383</u>	<u>947,224</u>

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

9. PROVISIONS FOR LIABILITIES

	31.3.14	31.3.13
	£	£
Deferred tax	<u>1,735</u>	<u>2,988</u>
		Deferred tax
		£
Balance at 1 April 2013		2,988
Provided during year		(1,253)
Excess capital allowances		
Balance at 31 March 2014		<u>1,735</u>

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31.3.14	31.3.13
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

11. RESERVES

	Profit and loss account	Revaluation reserve	Totals
	£	£	£
At 1 April 2013	207,091	2,166,807	2,373,898
Profit for the year	65,138		65,138
Revaluation	-	(300,000)	(300,000)
At 31 March 2014	<u>272,229</u>	<u>1,866,807</u>	<u>2,139,036</u>

12. CONTINGENT LIABILITIES

The Company's freehold properties are secured by way of a legal charge and a fixed and floating charge in respect of the parent company's bank loans and overdrafts amounting to £6,643,857 (2013: £6,971,250).

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 due to/(from) the company as at the year end:

	2014	2013
	£	£
ADL PLC	(581,043)	(711,599)
Woodland Healthcare Ltd	-	(34,000)
ADL Leased Homes Ltd	-	(10,000)
Woodland Nursing Homes Ltd	-	44,000
Sunnymede Ltd	-	10,000

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

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	65,138	39,272
Other recognised gains and losses relating to the year (net)	(300,000)	-
Net (reduction)/addition to shareholders' funds	(234,862)	39,272
Opening shareholders' funds	2,373,998	2,334,726
Closing shareholders' funds	2,139,136	2,373,998