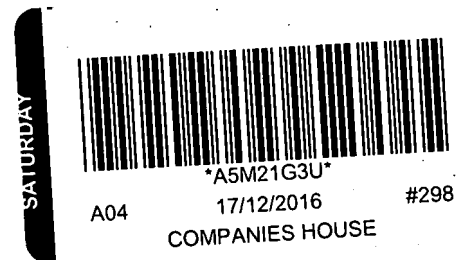


CAS - House
Company Registration No. 03920021 (England and Wales)

WNF GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016



WNF GROUP LIMITED

COMPANY INFORMATION

Directors	Mr Gerald Clough Mrs Margaret Clough Mr Steven Clough Mr Stephen Mark Drewitt	(Appointed 29 March 2016)
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Secretary	Mr Steven Clough
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Company number	03920021
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Registered office	Millennium House Station Lane Featherstone Pontefract West Yorkshire WF7 5BA
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Auditor	Haigh Accountants Limited Grange Cottage Fulham Lane Womersley Doncaster DN6 9BW
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Business address	Millenium House Station Lane Featherstone Pontefract West Yorkshire WF7 5BA
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Bankers	Yorkshire Bank 94 Albion Street Leeds West Yorkshire LS1 6AG
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WNF GROUP LIMITED

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WNF GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present the strategic report and financial statements for the year ended 31 March 2016.

Fair review of the business

We have continued to focus on our primary service of providing support to people with learning disabilities. In this year our new senior management team was settling in and worked on a new strategy to push towards providing support to 350 people by April 2018, an increase of around 160 people.

Principal risks and uncertainties

The market continues to be challenging and austerity will remain for many years, different councils have different approaches and this has proved difficult to manage. However, despite this, the initial early deep cuts seem to have eased off, but in the supported living side of the business the margins are difficult.

Highlights of the year

1. Sunnyborough

Our home in Eggborough finally overcame its difficult teething problems and reached capacity. A number of lessons have been learned in the opening of a new service.

2. Sunnywell

Ground was broken in the building of our new home, (our first in South Yorkshire) in September 2015. This is planned to be open in July 2016. An innovative model, we believe this will deliver what the market requires and will fill quite fast.

3. St Gerrards

After an arson attack at one of our properties, we rebuilt it as a supported living home, that has filled straight away, giving us a new base to grow supported living.

4. ARC

We have had to give over our training room, to allow the resource centre to grow, bringing more people into the centre.

Key performance indicators

The Directors consider the Key Performance Indicators for the group to be turnover, gross profit percentage and profit before tax. This year's results for the group show turnover of £9.01m (2015: £8.19m), gross profit 37.1% (2015: 37.0%) and profit before tax £2.04m (2015: £1.85m).

The net assets of the group at 31 March 2016 were £9.11m compared to £7.75m at 31 March 2015.

On behalf of the board



Mr Steven Clough

Director

15 December 2016

WNF GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present their annual report and financial statements for the year ended 31 March 2016.

Principal activities

The principal activity of the group continues to be the provision of residential and non-residential care and support of people with learning difficulties and challenging behaviour.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr Gerald Clough

Mrs Margaret Clough

Mr Steven Clough

Mr Stephen Mark Drewitt

(Appointed 29 March 2016)

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £391,000. The directors do not recommend payment of a further dividend.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Auditor

The auditor, Haigh Accountants Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

On behalf of the board



Mr Steven Clough

Director

15 December 2016

WNF GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WNF GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WNF GROUP LIMITED

We have audited the financial statements of WNF Group Limited for the year ended 31 March 2016 set out on pages 6 to 31. 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".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 group's and the parent 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 annual report 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 group's and the parent company's affairs as at 31 March 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 other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

WNF GROUP LIMITED

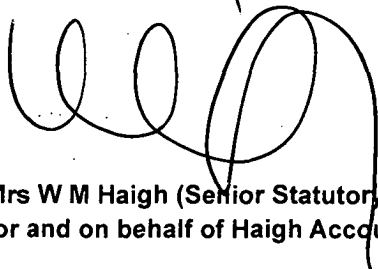
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WNF GROUP LIMITED

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Mrs W M Haigh (Senior Statutory Auditor)
for and on behalf of Haigh Accountants Limited

15 December 2016

Chartered Certified Accountants
Statutory Auditor

Grange Cottage
Fulham Lane
Womersley
Doncaster
DN6 9BW

WNF GROUP LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Turnover	3	9,012,758	8,192,839
Cost of sales		(5,669,197)	(5,160,957)
Gross profit		3,343,561	3,031,882
Administrative expenses		(1,339,699)	(1,208,843)
Other operating income		2,933	621
Operating profit	4	2,006,795	1,823,660
Interest receivable and similar income	7	30,842	25,074
Interest payable and similar charges	8	(621)	(1,291)
Profit before taxation		2,037,016	1,847,443
Taxation	9	(291,292)	(427,269)
Profit for the financial year		1,745,724	1,420,174

The profit and loss account has been prepared on the basis that all operations are continuing operations.

WNF GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	2016 £	2015 £
Profit for the year	1,745,724	1,420,174
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,745,724</u>	<u>1,420,174</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

WNF GROUP LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	13	4,711,914	3,816,925
Investment properties	14	488,773	669,126
Investments	15	46,735	49,757
		<u>5,247,422</u>	<u>4,535,808</u>
Current assets			
Debtors	18	992,568	1,219,723
Cash at bank and in hand		4,025,527	3,166,541
		<u>5,018,095</u>	<u>4,386,264</u>
Creditors: amounts falling due within one year	19	<u>(1,007,372)</u>	<u>(1,053,016)</u>
Net current assets		<u>4,010,723</u>	<u>3,333,248</u>
Total assets less current liabilities		<u>9,258,145</u>	<u>7,869,056</u>
Provisions for liabilities	22	<u>(148,088)</u>	<u>(113,723)</u>
Net assets		<u>9,110,057</u>	<u>7,755,333</u>
Capital and reserves			
Called up share capital	24	1,400	1,400
Share premium account		412,078	412,078
Profit and loss reserves		8,696,579	7,341,855
Total equity		<u>9,110,057</u>	<u>7,755,333</u>

The financial statements were approved by the board of directors and authorised for issue on 15 December 2016 and are signed on its behalf by:

Mr Steven Clough
Director

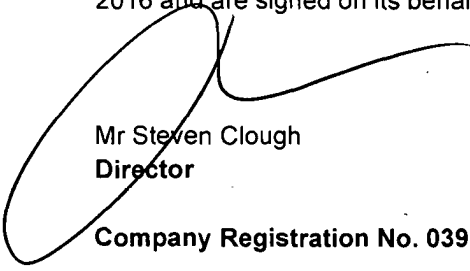
WNF GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	13	4,342,372		3,488,130	
Investment properties	14	488,773		669,126	
Investments	15	46,935		49,957	
		<u>4,878,080</u>		<u>4,207,213</u>	
Current assets					
Debtors	18	15,010		297,262	
Cash at bank and in hand		3,331,689		2,808,418	
		<u>3,346,699</u>		<u>3,105,680</u>	
Creditors: amounts falling due within one year	19	(208,476)		(170,090)	
Net current assets		<u>3,138,223</u>		<u>2,935,590</u>	
Total assets less current liabilities		<u>8,016,303</u>		<u>7,142,803</u>	
Provisions for liabilities	22	(97,638)		(72,946)	
Net assets		<u><u>7,918,665</u></u>		<u><u>7,069,857</u></u>	
Capital and reserves					
Called up share capital	24	1,400		1,400	
Share premium account		412,078		412,078	
Profit and loss reserves		7,505,187		6,656,379	
Total equity		<u><u>7,918,665</u></u>		<u><u>7,069,857</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 15 December 2016 and are signed on its behalf by:



Mr Steven Clough
Director

Company Registration No. 03920021

WNF GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 April 2014		1,400	412,078	6,022,077	6,435,555
Year ended 31 March 2015:					
Profit and total comprehensive income for the year		-	-	1,420,174	1,420,174
Dividends	10	-	-	(100,396)	(100,396)
Balance at 31 March 2015		1,400	412,078	7,341,855	7,755,333
Year ended 31 March 2016:					
Profit and total comprehensive income for the year		-	-	1,745,724	1,745,724
Dividends	10	-	-	(391,000)	(391,000)
Balance at 31 March 2016		1,400	412,078	8,696,579	9,110,057

WNF GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 April 2014		1,400	412,078	4,824,011	5,237,489
Year ended 31 March 2015:					
Profit and total comprehensive income for the year		-	-	1,932,764	1,932,764
Dividends	10	-	-	(100,396)	(100,396)
Balance at 31 March 2015		1,400	412,078	6,656,379	7,069,857
Year ended 31 March 2016:					
Profit and total comprehensive income for the year		-	-	1,239,808	1,239,808
Dividends	10	-	-	(391,000)	(391,000)
Balance at 31 March 2016		1,400	412,078	7,505,187	7,918,665

WNF GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	30	2,408,160		2,328,326	
Interest paid		(621)		(1,291)	
Income taxes paid		(415,964)		(309,331)	
Net cash inflow from operating activities		<u>1,991,575</u>		<u>2,017,704</u>	
Investing activities					
Purchase of tangible fixed assets		(963,052)		(247,540)	
Proceeds on disposal of tangible fixed assets		1,995		4,576	
Purchase of investment property		-		(60,329)	
Proceeds on disposal of investment property		-		52,175	
Proceeds on disposal of fixed asset investments		3,022		(49,757)	
Proceeds from other investments and loans		194,171		(195,670)	
Interest received		30,842		25,074	
Net cash used in investing activities		<u>(733,022)</u>		<u>(471,471)</u>	
Financing activities					
Repayment of bank loans		(2,324)		(2,868)	
Payment of finance leases obligations		(6,243)		(7,691)	
Dividends paid to equity shareholders		(391,000)		(100,396)	
Net cash used in financing activities		<u>(399,567)</u>		<u>(110,955)</u>	
Net increase in cash and cash equivalents		<u>858,986</u>		<u>1,435,278</u>	
Cash and cash equivalents at beginning of year		3,166,541		1,731,263	
Cash and cash equivalents at end of year		<u><u>4,025,527</u></u>		<u><u>3,166,541</u></u>	

WNF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Company information

WNF Group Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Millennium House, Station Lane, Featherstone, Pontefract, West Yorkshire, WF7 5BA.

The group consists of WNF Group Limited and all of its subsidiaries.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, modified to include the revaluation of Investment Properties.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention and to include investment properties at fair value. The principal accounting policies adopted are set out below.

These group and company financial statements for the year ended 31 March 2016 are the first financial statements of WNF Group Limited and the group prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS 102 was 1 April 2014. The reported financial position and financial performance for the previous period are not materially affected by the transition to FRS 102.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,239,808 (2015 - £1,932,764 profit).

WNF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of WNF Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 March 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover represents amounts receivable for services provided, net of trade discounts. Turnover in respect of service contracts (including property leases) is recognised when the company obtains the right to receive consideration for the services rendered to its customer. When income is invoiced in advance, that part relating to after the balance sheet date, is deferred.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets include investment properties valued by the directors on an existing use open market value basis. Other tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	4% reducing balance
Leasehold improvements	10% straight line
Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Computer equipment	33% reducing balance
Motor vehicles	25% reducing balance
Other assets	10% straight line

WNF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be measured reliably (particularly due to specialised nature of the property) or cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

WNF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

WNF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

WNF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

WNF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

1.17 Cash flows and liquid resources

Cash flows comprise increases and decreases in cash. Cash includes cash in hand, cash at bank, and deposits repayable on demand. Deposits are repayable on demand if they are available within 24 hours without penalty. No other investments however liquid, are included as cash.

Liquid assets comprise of assets held as readily disposable stores of value.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2016 £	2015 £
Turnover		
Care services	8,932,910	8,123,838
Rental income from investment properties	79,848	69,001
	<u>9,012,758</u>	<u>8,192,839</u>

Other significant revenue

Interest income	<u>30,842</u>	<u>25,074</u>
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Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	<u>9,012,758</u>	<u>8,192,839</u>

WNF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(289)	75
Depreciation of owned tangible fixed assets	231,136	227,237
Depreciation of tangible fixed assets held under finance leases	-	(4,598)
Loss on disposal of tangible fixed assets	15,285	5,590
Investment property impairment/(reversal)	-	60,381
Operating lease charges	2,945	-
	<u>239,077</u>	<u>288,685</u>

5 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	9,500	8,500
Audit of the company's subsidiaries	9,000	10,000
	<u>18,500</u>	<u>18,500</u>

6 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2016 Number	2015 Number
Support	282	276
Administration	13	7
Maintenance	4	2
	<u>299</u>	<u>285</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	5,005,255	4,616,828
Social security costs	370,098	347,403
Pension costs	61,293	45,306
	<u>5,436,646</u>	<u>5,009,537</u>

WNF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	24,057	15,331
Other interest income	6,785	9,743
Total income	30,842	25,074

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	24,057	15,331
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8 Interest payable and similar charges

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	234	944
Other interest on financial liabilities	87	347
	321	1,291
Other finance costs:		
Other interest	300	-
Total finance costs	621	1,291

9 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	286,000	412,000
Adjustments in respect of prior periods	(29,073)	4,131
Total current tax	256,927	416,131
Deferred tax		
Origination and reversal of timing differences	34,365	11,138
Total tax charge	291,292	427,269

WNF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	2,037,016	1,847,443
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.00%)	407,403	387,963
Permanent capital allowances in excess of depreciation	(122,322)	-
Other	6,211	39,306
Tax expense for the year	291,292	427,269

10 Dividends

	2016 £	2015 £
Interim paid	391,000	100,396

11 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2016 £	2015 £
In respect of:		
Investment property	-	60,381
Recognised in:		
Administrative expenses	-	60,381

WNF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 April 2015 and 31 March 2016	42,667
Amortisation and impairment	
At 1 April 2015 and 31 March 2016	42,667
Carrying amount	
At 31 March 2016	-
At 31 March 2015	-

WNF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

13 Tangible fixed assets

Group	Land and buildings Freehold	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Other assets	Total
	£	£	£	£	£	£	£	£
Cost								
At 1 April 2015	4,346,024	7,002	183,598	159,470	154,975	182,758	18,020	5,051,847
Additions	817,036	-	88,678	-	35,558	17,855	3,925	963,052
Disposals	-	-	(6,724)	(8,331)	(57,045)	(11,624)	-	(83,724)
Transfer from investment property	180,353	-	-	-	-	-	-	180,353
At 31 March 2016	5,343,413	7,002	265,552	151,139	133,488	188,989	21,945	6,111,528
Depreciation and impairment								
At 1 April 2015	858,454	5,180	77,321	99,201	107,492	84,011	3,263	1,234,922
Depreciation charged in the year	142,839	702	22,827	15,068	21,753	26,144	1,803	231,136
Eliminated in respect of disposals	-	-	(5,575)	(6,500)	(44,976)	(9,393)	-	(66,444)
At 31 March 2016	1,001,293	5,882	94,573	107,769	84,269	100,762	5,066	1,399,614
Carrying amount								
At 31 March 2016	4,342,120	1,120	170,979	43,370	49,219	88,227	16,879	4,711,914
At 31 March 2015	3,487,570	1,822	106,277	60,269	47,483	98,747	14,757	3,816,925

WNF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

Company	Land and buildings Freehold £	Plant and machinery £	Total £
Cost			
At 1 April 2015	4,346,024	710	4,346,734
Additions	817,036	-	817,036
Disposals	-	(250)	(250)
Transfer from investment property	180,353	-	180,353
At 31 March 2016	5,343,413	460	5,343,873
Depreciation and impairment			
At 1 April 2015	858,454	150	858,604
Depreciation charged in the year	142,839	140	142,979
Eliminated in respect of disposals	-	(82)	(82)
At 31 March 2016	1,001,293	208	1,001,501
Carrying amount			
At 31 March 2016	4,342,120	252	4,342,372
At 31 March 2015	3,487,570	560	3,488,130

14 Investment property

	Group 2016 £	Company 2016 £
Fair value		
At 1 April 2015	669,126	669,126
Transfers to owner-occupied property	(180,353)	(180,353)
At 31 March 2016	488,773	488,773

Investment property comprises several buy-to-let residential properties. In the opinion of the directors the fair value of the investment properties approximates to their historical depreciated cost before being treated as investment properties. The directors based their opinion on knowledge gained from the local market and property consultants and agents used by the company.

15 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	16	-	-	200	200
Loans		46,735	49,757	46,735	49,757
		46,735	49,757	46,935	49,957

WNF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

15 Fixed asset investments

(Continued)

Movements in fixed asset investments Group

Other
investments
£

Cost or valuation

At 1 April 2015

49,757

Additions

456

Disposals

(3,478)

At 31 March 2016

46,735

Carrying amount

At 31 March 2016

46,735

At 31 March 2015

49,757

Movements in fixed asset investments Company

Shares in
group
undertakings
£

Other
investments
£

Total
£

Cost or valuation

At 1 April 2015

200

49,757

49,957

Additions

-

456

456

Disposals

-

(3,478)

(3,478)

At 31 March 2016

200

46,735

46,935

Carrying amount

At 31 March 2016

200

46,735

46,935

At 31 March 2015

200

49,757

49,957

16 Subsidiaries

Details of the company's subsidiaries at 31 March 2016 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct Indirect	
Millennium Care Services Limited	England	Care services	Ordinary	100.00	
Millennium Care (West Yorkshire) Limited	England	Dormant	Ordinary	100.00	

WNF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

17 Financial instruments

	Group 2016 £	2015 £	Company 2016 £	2015 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	936,535	1,190,358	49,678	345,075
Equity instruments measured at cost less impairment	-	-	200	200
Carrying amount of financial liabilities				
Measured at amortised cost	140,033	231,148	24,889	103,474

18 Debtors

	Group 2016 £	2015 £	Company 2016 £	2015 £
Amounts falling due within one year:				
Trade debtors	830,211	814,667	2,695	4,918
Corporation tax recoverable	4,537	-	4,537	-
Other debtors	59,589	325,934	248	290,400
Prepayments and accrued income	98,231	79,122	7,530	1,944
	992,568	1,219,723	15,010	297,262

19 Creditors: amounts falling due within one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	20	-	2,324	-	-
Obligations under finance leases	21	-	6,243	-	-
Trade creditors		124,504	211,206	7,978	99,274
Amounts due to group undertakings		-	-	3,772	2,407
Corporation tax payable		121,000	275,500	-	45,000
Other taxation and social security		90,161	65,755	-	-
Other creditors		15,529	11,375	13,139	1,793
Accruals and deferred income		656,178	480,613	183,587	21,616
		1,007,372	1,053,016	208,476	170,090

WNF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

20 Loans and overdrafts

	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans	-	2,324	-	-
Payable within one year	-	2,324	-	-

21 Finance lease obligations

	Group 2016 £	2015 £	Company 2016 £	2015 £
Future minimum lease payments due under finance leases:				
Within one year	-	6,243	-	-

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is nil years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

22 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
Group		
Accelerated capital allowances	148,088	113,723
	<u>148,088</u>	<u>113,723</u>
	Liabilities 2016 £	Liabilities 2015 £
Company		
Accelerated capital allowances	97,638	72,946
	<u>97,638</u>	<u>72,946</u>

WNF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

22 Deferred taxation

(Continued)

	Group 2016 £	Company 2016 £
Movements in the year:		
Liability at 1 April 2015	113,723	72,946
Charge to profit or loss	34,365	24,692
Liability at 31 March 2016	<u>148,088</u>	<u>97,638</u>

23 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>61,293</u>	<u>45,306</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24 Share capital

	Group and company	
	2016 £	2015 £
Ordinary share capital		
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Issued and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
400 Ordinary A shares of £1 each	<u>400</u>	<u>400</u>
	<u>1,400</u>	<u>1,400</u>

25 Financial commitments, guarantees and contingent liabilities

The company has a contingent liability in respect of corporation tax for Business Property Renovation Allowance claimed on expenditure in 2015/16. If the relevant property is sold within five years, then the allowance will be clawed back. The maximum potential liability, in respect thereof, is approximately £120,000.

WNF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

26 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Acquisition of property, plant and equipment	200,000	-	200,000	-

27 Events after the reporting date

Since the year-end date, the company has received dividends of £600,000 (2015: £600,000) and paid dividends of £407,000 (2015: £103,000).

28 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2016 £	2015 £
Aggregate compensation	130,233	76,450

Transactions with related parties

No guarantees have been given or received.

Dividends Paid

During the year, the company paid dividends of £266,000 (2015: £50,396) to shareholders who were also directors of the company.

During the year, the company paid dividends of £125,000 (2015: £50,000) to Maine Road Properties Limited. Maine Road Properties Limited is owned by several Settlements of Gerald and Margaret Clough and owns the 400 £1 A Ordinary Shares in this company.

Debenture and Charges

Mr G Clough and Mrs M Clough each hold a debenture for the value of £92,381, secured against various company assets, dated 28 March 2003 and a legal charge for the value of £48,000, secured against the company's property at 60 Pontefract Road, Featherstone, dated 28 March 2003.

WNF GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

29 Directors' transactions

Transactions in relation to loans to/(from) directors are as follows:

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Loan to/(from) G & M Clough by/(to) parent company	3.00	199,990	12,509	4,422	(230,000)	(13,079)
Loan to G & M Clough by subsidiary	-	7,146	4,908	-	-	12,054
Loan to S Clough by parent company	-	-	248	-	-	248
Loan to S Clough by subsidiary	-	2,930	3,593	-	(2,930)	3,593
		<u>210,066</u>	<u>21,258</u>	<u>4,422</u>	<u>(232,930)</u>	<u>2,816</u>

30 Cash generated from group operations

	2016 £	2015 £
Profit for the year after tax	1,745,724	1,420,174
Adjustments for:		
Taxation charged	291,292	427,269
Finance costs	621	1,291
Investment income	(30,842)	(25,074)
Loss on disposal of tangible fixed assets	15,285	5,590
Depreciation and impairment of tangible fixed assets	231,136	231,835
Impairment of investment properties	-	60,381
Movements in working capital:		
Decrease/(increase) in debtors	37,521	(296,032)
Increase in creditors	117,423	502,892
Cash generated from operations	<u>2,408,160</u>	<u>2,328,326</u>