

ROTHCARE ESTATES LIMITED

**Report and Financial Statements
For the year ended 31 December 2010**

WEDNESDAY



AGN8MWY1

A44

24/08/2011

56

COMPANIES HOUSE

ROTHCARE ESTATES LIMITED

REPORT AND FINANCIAL STATEMENTS 2010

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4
Profit and loss account	5
Note of historical cost profits and losses	6
Balance sheet	7
Notes to the financial statements	8

ROTHCARE ESTATES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

C D Dalton (resigned 30 April 2011)

P F Jephcott

L A Jones

R C C Smith

Company Secretary

P F Jephcott

Registered Office

The Manor House

Squire's Hill

Rothwell

Northamptonshire

NN14 6BQ

Bankers

Barclays Bank plc

1 Churchill Place

Canary Wharf

London

E14 5HP

Solicitors

Eversheds LLP

1 Wood Street

London

EC2V 7WS

Auditor

Deloitte LLP

Chartered Accountants and Statutory Auditor

Manchester

United Kingdom

ROTHCARE ESTATES LIMITED

DIRECTORS' REPORT

The directors present their annual report, together with the financial statements and auditor's report for the year ended 31 December 2010. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

PRINCIPAL ACTIVITY

The principal activity of the company continues to be that of holding property occupied by other companies in the Castlecare Group.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors expect a satisfactory performance from the company in the coming year.

The directors have not declared a dividend (2009 £nil) during the year.

DIRECTORS

The directors who served the company during the year and thereafter, except as noted, were as follows:

C D Dalton (resigned 30 April 2011)
P F Jephcott
L A Jones
R C C Smith

GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements. Further details regarding the adoption of the going concern basis of accounting can be found in note 1 in the financial statements.

AUDITOR


In the case of each of the persons who are directors of the company at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has expressed their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors on 29 May 2011 and signed on behalf of the Board


P F Jephcott
Director

DIRECTORS' RESPONSIBILITIES STATEMENT

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 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 judgments and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROTHCARE ESTATES LIMITED

We have audited the financial statements of Rothcare Estates Limited for the year ended 31 December 2010 which comprise the profit and loss account, the statement of total recognised gains and losses, the note of historical cost profits and losses, the balance sheet and the related notes 1 to 17. 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 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, 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 to 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.

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 December 2010 and of its loss 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.

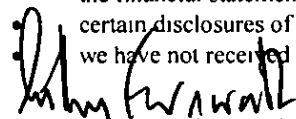
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report, or
- 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.



Anthony Earnworth BA ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom

15/08/2011

ROTHCARE ESTATES LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2010

	Note	2010 £	2009 £
TURNOVER	1	610,500	600,500
Administrative expenses		(522,883)	(490,398)
OPERATING PROFIT	2	87,617	110,102
Profit on disposal of tangible fixed assets		35,546	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		123,163	110,102
Interest payable	4	(96,000)	(96,000)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		27,163	14,102
Tax (charge)/credit on profit on ordinary activities	5	(38,320)	7,404
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	13, 14	(11,157)	21,506

All of the activities of the company are classed as continuing

There have been no recognised gains or losses for the current or preceding financial year other than as shown above
Accordingly, a separate statement of total recognised gains and losses has not been presented

ROTHCARE ESTATES LIMITED

NOTE OF HISTORICAL COST PROFITS AND LOSSES Year ended 31 December 2010

	2010 £	2009 £
Profit on ordinary activities before taxation	27,163	14,102
Difference between the historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	39,279	30,580
Realisation of property revaluation gains of previous years	108,544	-
Historical cost profit on ordinary activities before taxation	<u>174,986</u>	<u>44,682</u>
Historical cost profit for the year retained after taxation and dividends	<u>136,666</u>	<u>52,086</u>

ROTHCARE ESTATES LIMITED

BALANCE SHEET As at 31 December 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible assets	6	<u>5,531,591</u>	<u>5,857,383</u>
CURRENT ASSETS			
Debtors	7	955,433	795,221
Cash at bank		<u>9,312</u>	<u>12,853</u>
		964,745	808,074
CREDITORS: Amounts falling due within one year	8	<u>(1,890,355)</u>	<u>(2,048,319)</u>
NET CURRENT LIABILITIES		<u>(925,610)</u>	<u>(1,240,245)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES BEING NET ASSETS		<u>4,605,981</u>	<u>4,617,138</u>
CAPITAL AND RESERVES			
Called up share capital	12	25,000	25,000
Revaluation reserve	13	4,073,918	4,221,741
Profit and loss account	13	<u>507,063</u>	<u>370,397</u>
SHAREHOLDER'S FUNDS	14	<u>4,605,981</u>	<u>4,617,138</u>

These financial statements of Rothcare Estates Limited, company number 3941902, were approved by the Board of Directors on 29 July 2011

Signed on behalf of the Board of Directors

P Jephcott
Director



NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

1 ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards.

As the company is a wholly owned subsidiary of Castlecare Group Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard No. 8 and has not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

Going concern

The company meets its day to day working capital requirements through its own working capital and also intra group funding within the Castlecare group.

Castlecare Group Limited has confirmed its continued financial support to this company for the foreseeable future being a period of not less than 12 months from the date of signing these accounts. This support will enable the company to settle its liabilities as they fall due.

As disclosed in the financial statements of the ultimate parent company, Castlecare Group Limited, the group meets its working capital requirements through its own working capital, has considerable financial resources, and also has available to it, if required, an overdraft facility. This overdraft facility was renewed in September 2010 and has no confirmed renewal date. Castlecare Group Limited is also funded via shareholder loan notes. Although the repayment of the loan notes is now overdue, the Directors note that they have received formal notification from Baird Capital Partners Europe Ltd that no portion of the loan notes or accrued interest thereon, will be demanded for repayment, unless sufficient adequate financing is in place for the group and after assessing all cash flow requirements for the foreseeable future.

The current economic environment creates uncertainty in that it could inevitably place financial pressure on local authority customers, and hence impact the demand for services. However the group is expected to generate positive cash flows for the foreseeable future.

On the basis of the directors' assessment of the company's financial position and of the enquiries made of the directors of Castlecare Group Limited, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No. 1 to prepare a cash flow statement as the ultimate parent company, Castlecare Group Limited, a company incorporated in England and Wales, prepares consolidated financial statements which are publicly available.

Turnover

The turnover shown in the profit and loss account represents amounts receivable for rent during the year together with amounts receivable from other group companies by way of a management charge.

The turnover shown in the profit and loss account represents amounts receivable for rent during the year together with amounts receivable from other group companies by way of a management charge.

Tangible fixed assets

Tangible fixed assets are stated at valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Freehold buildings - 2% per annum

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2010

1 ACCOUNTING POLICIES (continued)

Revaluation of properties

Individual freehold properties are revalued in accordance with FRS 15 with the surplus or deficit on book value being transferred to the revaluation reserve except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus.

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves. On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Operating lease agreements

Rentals under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight line basis over a period of the lease.

Pension costs

The company contributes towards employees' private pensions. All payments are charged to the profit and loss account in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2010

2 OPERATING PROFIT

	2010	2009
	£	£
Operating profit is stated after charging/(creating)		
Depreciation – owned assets	52,428	57,384
Operating lease costs – other	64,853	66,226

The auditor's remuneration is borne by the parent company. The directors estimate the audit fee for this company to be £7,500 (2009 £7,500)

3 PARTICULARS OF EMPLOYEES AND DIRECTORS

The average number of staff employed by the company, including directors, during the financial year was

	2010	2009
	No.	No.
Average number of staff	14	14

	2010	2009
	£	£
The aggregate payroll costs of the above were		
Wages and salaries	315,564	297,180
Social security costs	30,267	28,223
Pension costs	5,151	4,835
	350,982	330,238

Directors were remunerated via fellow group companies during the year (2009 same)

4. INTEREST PAYABLE

	2010	2009
	£	£
Interest payable on amounts owed to group undertakings	96,000	96,000

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Taxation

	2010	2009
	£	£
Current tax		
Current tax charge on profit for the year	15,000	15,000
Adjustment in respect of prior years	(5,175)	(30,590)
Payment for group relief	28,495	8,186
Total tax charge/(credit) on profit on ordinary activities	38,320	(7,404)

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2010

5. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher (2009 lower) than the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are explained below

	2010	2009
	£	£
Profit on ordinary activities before taxation	27,163	14,102
Tax on loss on ordinary activities at 28% (2009 28%)	7,606	3,949
Effects of		
Expenses not deductible for taxation purposes	14,382	6,577
Depreciation in excess of capital allowances	23,036	15,695
Profit on sale of chargeable assets	1,748	-
Adjustment in respect of prior years	(5,175)	(30,590)
Tax rate adjustment	(3,000)	(2,840)
Group relief claimed	(277)	(195)
Current tax charge/(credit) for the year	38,320	(7,404)

6 TANGIBLE FIXED ASSETS

	Freehold land and buildings £
Valuation	
At 1 January 2010	6,874,929
Disposals	(1,050,000)
At 31 December 2010	5,824,929
Depreciation	
At 1 January 2010	1,017,546
Charge for the year	52,428
Disposals	(776,636)
At 31 December 2010	293,338
Net book value	
At 31 December 2010	5,531,591
At 31 December 2009	5,857,383

Revaluation of fixed assets

The company's freehold land and buildings were professionally valued at £6,590,000 on 16 July 2010 by Christie & Co, external valuers, on the basis of open market value of each freehold property as a fully equipped operational entity and having regard to trading potential, but otherwise with vacant possession. The external valuation did not make allowance, however, for any costs that are centralised. Therefore the directors consider that the valuation included in the financial statements at 31 December 2010 was materially correct and have further considered the impact of availability of local authority funding, and its impact on the valuation of the properties.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2010

6 TANGIBLE FIXED ASSETS (continued)

The value of freehold land on which depreciation is not provided amounts to £935,479 (2009 £1,135,479)

If the revalued freehold land and buildings had been included in the financial statements at historical cost they would have been included at the amounts detailed below

	2010 £	2009 £
Historical cost of revalued assets	1,611,055	1,794,565
Aggregate depreciation thereon	(153,388)	(158,923)
Historical cost net book value	<u>1,457,667</u>	<u>1,635,642</u>

7 DEBTORS

	2010 £	2009 £
Amounts owed by group undertakings	<u>955,433</u>	<u>795,221</u>

8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Amounts owed to group undertakings	1 861 783	2,025,034
Corporation tax	20,000	20,000
Accruals	8 572	3 285
	<u>1,890,355</u>	<u>2,048,319</u>

9. PROVISIONS AND LIABILITIES

If the revalued tangible fixed assets were disposed of at their balance sheet value a tax liability of approximately £1,142,000 (2009 £1,182,000) would arise on their disposal, subject to available allowances and reliefs. The directors do not envisage disposing of these assets in the foreseeable future.

10 CONTINGENT LIABILITIES

The company is party to a cross guarantee to secure the bank loans and overdrafts of certain group companies. As at 31 December 2010 total bank loans and overdrafts subject to this guarantee were £nil (2009 £2,491,955).

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2010

11 COMMITMENTS UNDER OPERATING LEASES

At 31 December the company had annual commitments under non-cancellable operating leases set out below

	2010 Other £	2009 Other £
Operating leases which expire		
- within one year	11,059	10,904
- within two to five years	44,016	40,472
	<u>55,075</u>	<u>51,376</u>

12 SHARE CAPITAL

	2010 £	2009 £
Allotted, called up and fully paid		
25,000 ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

13. RESERVES

	Revaluation reserve £	Profit and loss account £
As at 1 January 2010	4,221,741	370,397
Loss for the financial year	-	(11,157)
Transfer excess depreciation on revalued assets	(39,279)	39,279
Realised revaluation surplus	(108,544)	108,544
As at 31 December 2010	<u>4,073,918</u>	<u>507,063</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2010 £	2009 £
(Loss)/profit for the financial year	(11,157)	21,506
Net (reduction in)/addition to shareholder's funds	(11,157)	21,506
Opening shareholder's funds	4,617,138	4,595,632
Closing shareholder's funds	<u>4,605,981</u>	<u>4,617,138</u>

15. ULTIMATE PARENT COMPANY

The largest group of which the results of the company are consolidated is that headed by Castlecare Group Limited, a company incorporated in England and Wales. The consolidated financial statements of this company are available to the public and may be obtained from The Manor House, Squires Hill, Rothwell, Northamptonshire, NN14 6BQ. No other consolidated financial statements include the results of the company.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2010

16 ULTIMATE CONTROLLING PARTY

At the balance sheet date, in excess of 50% of the share capital of the parent company is held by various investment funds managed by Baird Capital Partners Europe Limited. Baird Capital Partners Europe Limited does not hold any shareholding in the share capital of Castlecare Group Limited, and their management of the funds is governed by individual management agreement contracts between themselves and the investors.

17 SUBSEQUENT EVENTS

On 18 April 2011 the company declared a dividend of £100,000 to its sole shareholder.