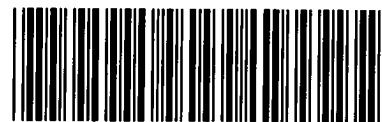


REGISTERED NUMBER: 04820472 (England and Wales)

**Group Strategic Report, Report of the Director and
Consolidated Financial Statements for the Year Ended 30 September 2019
for
Roseville Care Homes Limited**

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for the Year Ended 30 September 2019**

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Roseville Care Homes Limited

**Company Information
for the Year Ended 30 September 2019**

DIRECTOR: Mrs D Knezevic-Sharp

SECRETARY: Mr J P Lewis Ogden

REGISTERED OFFICE: Ash Grove House
Main Street
Upper Poppleton
York
YO26 6DL

REGISTERED NUMBER: 04820472 (England and Wales)

AUDITORS: Garbutt & Elliott Audit Limited
Triune Court
Monks Cross Drive
York
YO32 9GZ

**Group Strategic Report
for the Year Ended 30 September 2019**

The director presents her strategic report of the company and the group for the year ended 30 September 2019.

REVIEW OF BUSINESS

The group has performed reasonably during a year of transition. While bed occupancy has increased at three of the five homes, the bed occupancy at two others has decreased. This has resulted in a small reduction in revenue of 2.1%. Pre tax profits have reduced by £313k (33%).

During the previous year one of the homes received a rebate under the Kingscrest appeal. But for this rebate, the pre tax profits would only have decreased by 26%.

The key factors contributing to the reduction in profits were; (i) an increase in staffing costs (ii) a venture into 'Assisted Living' services, which has been put on hold, and (iii) a refurbishment of 8 rooms at one of the homes, which has restricted occupancy.

The group is in a strong position financially, with net assets at 30 September 2019 amounting to £2.570m and has complied with its bank loan covenants during the year.

The target for 2020 is to achieve full occupancy levels in underperforming homes and to maintain other better performing homes at their high occupancy levels. Planned capital improvements to a number of properties should assist towards attaining this target.

Key performance indicators for the group's activities are occupancy levels, bed fees, loan interest and wages costs.

The group's future success is dependent on maintaining high occupancy levels and good average fees. This will be achieved by continuing to invest in maintenance of the assets alongside continuous improvements in customer care training for staff.

**Group Strategic Report
for the Year Ended 30 September 2019**

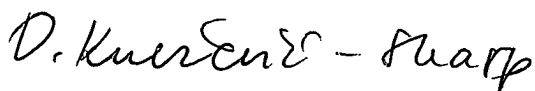
PRINCIPAL RISKS AND UNCERTAINTIES

Business risk is mainly linked to operational performance. The group must remain compliant with constantly changing legislation. This is achieved by continuous training for the director and key personnel along with good relations with the regulatory bodies to stay ahead of changes in care delivery best practices.

With the implementation of BREXIT due at the start of 2021, a key risk to the group is a potential reduction in the numbers of care workers available for work in the UK, as many of the group's employees are EU citizens. While there is a possibility that the ability of EU citizens to work in the UK will not be affected, the director is aware of the risk to the group and has implemented plans to reduce that risk. These plans include establishing strong relationships with employment agencies to ensure a continuous supply of appropriately skilled staff.

On 23 March 2020, after the date to which these financial statements are prepared, the UK government implemented a 'lockdown' on the UK population as a response to the spread of the COVID-19 virus. The director has commented on the nature and effect of this in the 'Post Balance Sheet Events' note to these financial statements.

ON BEHALF OF THE BOARD:



Mrs D Knezevic-Sharp - Director

24 September 2020

**Report of the Director
for the Year Ended 30 September 2019**

The director presents her report with the financial statements of the company and the group for the year ended 30 September 2019.

PRINCIPAL ACTIVITIES

The principal activity of the group continued to be that of the operation of residential care homes and provision of homecare services.

DIVIDENDS

During the year dividends of £150,500 were paid.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTOR

Mrs D Knezevic-Sharp held office during the whole of the period from 1 October 2018 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable her to ensure that the financial statements comply with the Companies Act 2006. She is also responsible for safeguarding the assets of the company and the group 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 director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and she has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Roseville Care Homes Limited (Registered number: 04820472)

**Report of the Director
for the Year Ended 30 September 2019**

AUDITORS

The auditor, Garbutt & Elliott Audit Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:


Mrs D Knezevic-Sharp - Director

24 September 2020

Report of the Independent Auditors to the Members of Roseville Care Homes Limited

Opinion

We have audited the financial statements of Roseville Care Homes Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 September 2019 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report of the Independent Auditors to the Members of Roseville Care Homes Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

In the light of the knowledge and understanding of the group and the parent company obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report and the Report of the Director.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page four, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of Roseville Care Homes Limited

This report is made solely to the parent 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 parent company's members those matters we are required to state to them in a Report of the Independent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Use of our report

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.

Garbutt & Elliott Audit Limited

MARTIN DAVEY (Senior Statutory Auditor)
for and on behalf of Garbutt & Elliott Audit Limited
Triune Court
Monks Cross Drive
York
YO32 9GZ

Date: *28 September 2020*

**Consolidated Statement of Comprehensive Income
for the Year Ended 30 September 2019**

	Notes	2019 £	2018 £
TURNOVER	3	5,439,365	5,558,106
Cost of sales		3,768,489	3,708,687
GROSS PROFIT		1,670,876	1,849,419
Administrative expenses		918,422	750,396
		752,454	1,099,023
Other operating income		6,406	19
OPERATING PROFIT	5	758,860	1,099,042
Interest receivable and similar income	7	41,462	18,657
		800,322	1,117,699
Interest payable and similar expenses	8	174,670	178,511
PROFIT BEFORE TAXATION		625,652	939,188
Tax on profit	9	163,421	183,150
PROFIT FOR THE FINANCIAL YEAR		462,231	756,038
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		462,231	756,038
Profit attributable to: Owners of the parent		462,231	756,038
Total comprehensive income attributable to: Owners of the parent		462,231	756,038

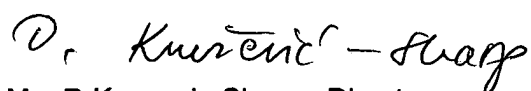
The notes form part of these financial statements

Roseville Care Homes Limited (Registered number: 04820472)

**Consolidated Statement of Financial Position
30 September 2019**

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	12	-	-
Tangible assets	13	5,859,992	5,913,252
Investments	14	-	-
		<u>5,859,992</u>	<u>5,913,252</u>
CURRENT ASSETS			
Stocks	15	1,700	1,700
Debtors	16	1,422,521	1,571,256
Cash at bank and in hand		1,015,652	1,254,965
		<u>2,439,873</u>	<u>2,827,921</u>
CREDITORS			
Amounts falling due within one year	17	<u>1,530,453</u>	<u>2,111,450</u>
NET CURRENT ASSETS		<u>909,420</u>	<u>716,471</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,769,412</u>	<u>6,629,723</u>
CREDITORS			
Amounts falling due after more than one year	18	(4,020,764)	(4,230,933)
PROVISIONS FOR LIABILITIES	22	<u>(178,213)</u>	<u>(140,086)</u>
NET ASSETS		<u><u>2,570,435</u></u>	<u><u>2,258,704</u></u>
CAPITAL AND RESERVES			
Called up share capital	23	168	168
Share premium		347,450	347,450
Retained earnings		<u>2,222,817</u>	<u>1,911,086</u>
SHAREHOLDERS' FUNDS		<u><u>2,570,435</u></u>	<u><u>2,258,704</u></u>

The financial statements were approved by the director and authorised for issue on 24 September 2020 and were signed by:


Mrs D Knezevic-Sharp - Director

The notes form part of these financial statements

Company Statement of Financial Position
30 September 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	12	-	-
Tangible assets	13	547,880	542,898
Investments	14	1,718,783	1,718,783
		<u>2,266,663</u>	<u>2,261,681</u>
CURRENT ASSETS			
Debtors	16	4,065,111	3,835,117
Cash at bank and in hand		976,308	881,021
		<u>5,041,419</u>	<u>4,716,138</u>
CREDITORS			
Amounts falling due within one year	17	2,417,650	1,998,807
NET CURRENT ASSETS		<u>2,623,769</u>	<u>2,717,331</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,890,432</u>	<u>4,979,012</u>
CREDITORS			
Amounts falling due after more than one year	18	(4,020,764)	(4,230,933)
PROVISIONS FOR LIABILITIES	22	(6,470)	(6,120)
NET ASSETS		<u>863,198</u>	<u>741,959</u>
CAPITAL AND RESERVES			
Called up share capital	23	168	168
Share premium		347,450	347,450
Retained earnings		515,580	394,341
SHAREHOLDERS' FUNDS		<u>863,198</u>	<u>741,959</u>
Company's profit for the financial year		<u>271,739</u>	<u>489,218</u>

The financial statements were approved by the director and authorised for issue on 24 September 2020 and were signed by:


Mrs D Knezevic-Sharp - Director

**Consolidated Statement of Changes in Equity
for the Year Ended 30 September 2019**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 October 2017	150	1,525,548	347,450	1,873,148
Changes in equity				
Issue of share capital	18	-	-	18
Dividends	-	(370,500)	-	(370,500)
Total comprehensive income	-	756,038	-	756,038
Balance at 30 September 2018	<u>168</u>	<u>1,911,086</u>	<u>347,450</u>	<u>2,258,704</u>
Changes in equity				
Dividends	-	(150,500)	-	(150,500)
Total comprehensive income	-	462,231	-	462,231
Balance at 30 September 2019	<u><u>168</u></u>	<u><u>2,222,817</u></u>	<u><u>347,450</u></u>	<u><u>2,570,435</u></u>

**Company Statement of Changes in Equity
for the Year Ended 30 September 2019**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 October 2017	150	275,623	347,450	623,223
Changes in equity				
Issue of share capital	18	-	-	18
Dividends	-	(370,500)	-	(370,500)
Total comprehensive income	-	489,218	-	489,218
Balance at 30 September 2018	<u>168</u>	<u>394,341</u>	<u>347,450</u>	<u>741,959</u>
Changes in equity				
Dividends	-	(150,500)	-	(150,500)
Total comprehensive income	-	271,739	-	271,739
Balance at 30 September 2019	<u><u>168</u></u>	<u><u>515,580</u></u>	<u><u>347,450</u></u>	<u><u>863,198</u></u>

**Consolidated Statement of Cash Flows
for the Year Ended 30 September 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	702,805	658,204
Interest paid		(174,670)	(177,772)
Interest element of hire purchase or finance lease rental payments paid		-	(739)
Tax paid		(190,403)	(174,418)
Net cash from operating activities		337,732	305,275
Cash flows from investing activities			
Purchase of tangible fixed assets		(130,863)	(70,336)
Sale of tangible fixed assets		2,625	-
Interest received		41,462	18,657
Net cash from investing activities		(86,776)	(51,679)
Cash flows from financing activities			
Loan repayments in year		(238,620)	(231,865)
Capital repayments in year		-	(8,895)
Amount introduced by director		-	477,843
Amount withdrawn by director		(107,555)	-
Share issue		-	18
Government grant received		6,406	-
Equity dividends paid		(150,500)	(370,500)
Net cash from financing activities		(490,269)	(133,399)
(Decrease)/increase in cash and cash equivalents		(239,313)	120,197
Cash and cash equivalents at beginning of year	2	1,254,965	1,134,768
Cash and cash equivalents at end of year	2	1,015,652	1,254,965

The notes form part of these financial statements

**Notes to the Consolidated Statement of Cash Flows
for the Year Ended 30 September 2019**

1. RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

	2019 £	2018 £
Profit for the financial year	462,231	756,038
Depreciation charges	181,498	190,626
Government grants	(6,406)	-
Finance costs	174,670	178,511
Finance income	(41,462)	(18,657)
Taxation	163,421	183,150
	<u>933,952</u>	<u>1,289,668</u>
Decrease/(increase) in trade and other debtors	148,735	(1,254,207)
(Decrease)/increase in trade and other creditors	(379,882)	622,743
	<u>702,805</u>	<u>658,204</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 September 2019

	30.9.19 £	1.10.18 £
Cash and cash equivalents	<u>1,015,652</u>	<u>1,254,965</u>

Year ended 30 September 2018

	30.9.18 £	1.10.17 £
Cash and cash equivalents	<u>1,254,965</u>	<u>1,134,768</u>

**Notes to the Consolidated Financial Statements
for the Year Ended 30 September 2019**

1. STATUTORY INFORMATION

Roseville Care Homes Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

Monetary amounts in these financial statements are rounded to the nearest £1.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value.

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 flows 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.

Going concern

After reviewing the group's forecasts and projections, the director has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings, made up to 30 September 2019. The results of subsidiaries sold or acquired are consolidated from, or to, the date control passes. Intra-group sales, profits and balances are eliminated on consolidation.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019**

2. ACCOUNTING POLICIES - continued

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Depreciation and amortisation:

The depreciation and amortisation policies have been set according to management's experience of the useful lives of a typical asset in each category, something which is reviewed annually. It is not considered practical to use a per unit basis to allocate depreciation and amortisation without undue cost and therefore amounts are charged annually. In the directors opinion, the depreciation and amortisation charged during the year, which is set out in the notes to these financial statements, is a fair reflection of the benefits derived from the consumption of the tangible and intangible fixed assets in use during the period.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts. Turnover includes revenue earned from the rendering of services, which is recognised by reference to the dates for which the services have been provided.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of businesses in 2003, 2006 and 2007, is being amortised evenly over its estimated useful life of 10 years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost of buildings
Fixtures and fittings	- 25% on cost, 20% on cost and 15% on cost
Motor vehicles	- 25% on cost

No depreciation is provided on freehold land.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately.

Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose entities) controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Stocks

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019**

2. ACCOUNTING POLICIES - continued

Deferred taxation

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019**

2. ACCOUNTING POLICIES - continued

Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of its financial instruments.

Basic financial assets:

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method.

Impairment:

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 the statement of comprehensive income.

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 the statement of comprehensive income.

Other financial assets:

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the statement of comprehensive income, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Derecognition of financial assets:

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities:

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019**

2. ACCOUNTING POLICIES - continued

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables 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 liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

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.

Employee benefits

The group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

The group operates defined contribution plans for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plans are held separately from the group in independently administered funds.

3. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the group.

An analysis of turnover by class of business is given below:

	2019 £	2018 £
Care home services	4,967,798	5,020,755
Homecare services	471,567	537,351
	<u>5,439,365</u>	<u>5,558,106</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019**

3. TURNOVER - continued

An analysis of turnover by geographical market is given below:

	2019 £	2018 £
United Kingdom	5,439,365	5,558,106
	<u>5,439,365</u>	<u>5,558,106</u>

4. EMPLOYEES AND DIRECTORS

	2019 £	2018 £
Wages and salaries	3,140,765	3,144,324
Social security costs	207,126	183,583
Other pension costs	41,686	24,089
	<u>3,389,577</u>	<u>3,351,996</u>

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

	2019	2018
Care and administration	218	208
Director	1	1
	<u>219</u>	<u>209</u>

	2019 £	2018 £
Director's remuneration	<u>7,480</u>	<u>8,160</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2019 £	2018 £
Other operating leases	13,445	17,892
Depreciation - owned assets	181,498	178,787
Depreciation - assets on hire purchase contracts or finance leases	-	11,839
Auditors' remuneration	<u>21,200</u>	<u>20,160</u>

6. EXCEPTIONAL ITEMS

	2019 £	2018 £
Exceptional items	<u>-</u>	<u>94,415</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019**

During the previous year the group received a rebate of input VAT under the Kingscrest VAT case rules. The net amount received of £94,415 was credited to the profit and loss account as a reverse expense.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019	2018
	£	£
Deposit account interest	3,581	2,720
Other interest receivable	-	3,120
Interest on taxation	-	176
Interest from loans	37,881	12,641
	<u>41,462</u>	<u>18,657</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>41,462</u>	<u>18,657</u>
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8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank loan interest	174,670	177,772
Hire purchase	-	739
	<u>174,670</u>	<u>178,511</u>

9. TAXATION

Analysis of the tax charge

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

	2019	2018
	£	£
Current tax:		
UK corporation tax	125,294	190,403
Prior year under/over provision	-	(12,939)
Total current tax	<u>125,294</u>	<u>177,464</u>
Deferred tax	<u>38,127</u>	<u>5,686</u>
Tax on profit	<u>163,421</u>	<u>183,150</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019**

9. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2019 £	2018 £
Profit before tax	<u>625,652</u>	<u>939,188</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	118,874	178,446
Effects of:		
Expenses not deductible for tax purposes	-	194
Depreciation in excess of capital allowances	6,420	13,559
Utilisation of tax losses	-	(1,796)
Adjustments to tax charge in respect of previous periods	-	(12,939)
Movement in deferred tax	<u>38,127</u>	<u>5,686</u>
Total tax charge	<u>163,421</u>	<u>183,150</u>

10. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

11. DIVIDENDS

	2019 £	2018 £
Ordinary shares of £1 each		
Interim	90,000	310,000
A Ordinary shares of £1 each		
Interim	30,250	30,250
B Ordinary shares of £1 each		
Interim	30,250	30,250
	<u>150,500</u>	<u>370,500</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019**

12. INTANGIBLE FIXED ASSETS

Group

Goodwill
£

COST

At 1 October 2018
and 30 September 2019

521,946

AMORTISATION

At 1 October 2018
and 30 September 2019

521,946

NET BOOK VALUE

At 30 September 2019

-

At 30 September 2018

-

Company

Goodwill
£

COST

At 1 October 2018
and 30 September 2019

81,000

AMORTISATION

At 1 October 2018
and 30 September 2019

81,000

NET BOOK VALUE

At 30 September 2019

-

At 30 September 2018

-

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019**

13. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 October 2018	6,680,845	1,032,813	55,757	7,769,415
Additions	58,233	72,630	-	130,863
Disposals	-	-	(8,400)	(8,400)
At 30 September 2019	6,739,078	1,105,443	47,357	7,891,878
DEPRECIATION				
At 1 October 2018	889,713	926,208	40,242	1,856,163
Charge for year	109,718	58,891	12,889	181,498
Eliminated on disposal	-	-	(5,775)	(5,775)
At 30 September 2019	999,431	985,099	47,356	2,031,886
NET BOOK VALUE				
At 30 September 2019	5,739,647	120,344	1	5,859,992
At 30 September 2018	5,791,132	106,605	15,515	5,913,252

Included in the cost of freehold property is land of £1,001,379 (2018:£1,001,379) which is not depreciated.

Company

	Freehold property £	Fixtures and fittings £	Totals £
COST			
At 1 October 2018	675,629	238,350	913,979
Additions	23,035	8,232	31,267
At 30 September 2019	698,664	246,582	945,246
DEPRECIATION			
At 1 October 2018	164,959	206,122	371,081
Charge for year	12,281	14,004	26,285
At 30 September 2019	177,240	220,126	397,366
NET BOOK VALUE			
At 30 September 2019	521,424	26,456	547,880
At 30 September 2018	510,670	32,228	542,898

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019**

13. TANGIBLE FIXED ASSETS - continued

Company

Included in the cost of freehold property is land of £54,500 (2018:£54,500) which is not depreciated.

14. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 October 2018	
and 30 September 2019	1,718,783
NET BOOK VALUE	
At 30 September 2019	1,718,783
At 30 September 2018	1,718,783

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Colourscape Investments Limited

Registered office: Ash Grove House, Main Street, Upper Poppleton, York, YO26 6DL.

Nature of business: Care home operator

	%
Class of shares:	holding
Ordinary	100.00

Roseville Care Homes (Melksham) Limited

Registered office: Ash Grove House, Main Street, Upper Poppleton, York, YO26 6DL.

Nature of business: Care home operator

	%
Class of shares:	holding
Ordinary	100.00

The Old School House Limited

Registered office: Kensington House, York Business Park, Nether Poppleton, YO26 6RW.

Nature of business: Care home operator

	%
Class of shares:	holding
Ordinary	100.00

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019**

14. FIXED ASSET INVESTMENTS - continued

Roseville Orchard Court Limited

Registered office: Ash Grove House, Main Street, Upper Poppleton, York, YO26 6DL.

Nature of business: Care home operator

	%
Class of shares:	holding
Ordinary	100.00

Able Carers Limited

Registered office: Ash Grove House, Main Street, Upper Poppleton, York, YO26 6DL.

Nature of business: Provider of homecare services

	%
Class of shares:	holding
Ordinary	100.00

15. STOCKS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Stocks	1,700	1,700	-	-

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	287,077	495,903	57,787	84,034
Amounts owed by group undertakings	-	-	2,913,144	2,726,469
Other debtors	1,092,941	1,022,439	1,092,028	1,021,527
Prepayments and accrued income	42,503	52,914	2,152	3,087
	<u>1,422,521</u>	<u>1,571,256</u>	<u>4,065,111</u>	<u>3,835,117</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019**

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts (see note 19)	248,037	276,488	248,037	276,488
Trade creditors	530,583	526,341	104,993	86,184
Amounts owed to group undertakings	-	-	1,919,236	1,361,695
Corporation tax	125,294	190,403	30,893	30,981
Social security and other taxes	64,000	404,525	-	-
Other creditors	373,002	375,293	73,397	89,770
Director's current account	25,802	133,357	25,802	133,357
Accruals and deferred income	163,735	205,043	15,292	20,332
	<u>1,530,453</u>	<u>2,111,450</u>	<u>2,417,650</u>	<u>1,998,807</u>

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans (see note 19)	<u>4,020,764</u>	<u>4,230,933</u>	<u>4,020,764</u>	<u>4,230,933</u>

19. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>248,037</u>	<u>276,488</u>	<u>248,037</u>	<u>276,488</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>1,783,423</u>	<u>287,307</u>	<u>1,783,423</u>	<u>287,307</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>2,237,341</u>	<u>2,240,939</u>	<u>2,237,341</u>	<u>2,240,939</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>-</u>	<u>1,702,687</u>	<u>-</u>	<u>1,702,687</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019**

19. LOANS - continued

The bank loan is secured by charges on the freehold properties owned by the group, by a debenture on the assets of the group and a guarantee across the subsidiaries.

Interest is charged on £2.545m (30 September 2019 value) of the loan at 2.9% above base rate per annum. This element of the loan is being repaid in monthly instalments of £20k. Interest is charged on the balance of the loan at 2.5% above Lloyds' cost of funds. The capital balance of this element of the loan is repayable in monthly instalments of £14k, with a balancing payment, or renegotiation of terms, due in 2021.

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	16,191	6,148
Between one and five years	25,906	-
	<u>42,097</u>	<u>6,148</u>

The parent company had no leasing agreement commitments at 30 September 2019 and 2018.

21. FINANCIAL INSTRUMENTS

The group and company have the following financial instruments:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Carrying amount of financial assets:				
Debt instruments measured at amortised cost	2,395,670	2,780,551	5,039,267	4,720,295
Equity instruments measured at cost less impairment	-	-	1,718,873	1,718,873
	<u>-</u>	<u>-</u>	<u>1,718,873</u>	<u>1,718,873</u>
Carrying amount of financial liabilities:				
Measured at amortised cost	5,361,923	5,747,455	6,407,521	6,198,759
	<u>5,361,923</u>	<u>5,747,455</u>	<u>6,407,521</u>	<u>6,198,759</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019

22. PROVISIONS FOR LIABILITIES

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Deferred tax				
Accelerated capital allowances	<u>178,213</u>	<u>140,086</u>	<u>6,470</u>	<u>6,120</u>
Group				
				Deferred tax
				£
Balance at 1 October 2018				140,086
Provided during year				<u>38,127</u>
Balance at 30 September 2019				<u>178,213</u>
Company				
				Deferred tax
				£
Balance at 1 October 2018				6,120
Charge to Statement of Comprehensive Income during year				<u>350</u>
Balance at 30 September 2019				<u>6,470</u>

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2019	2018
			£	£
150	Ordinary	£1	150	150
9	A Ordinary	£1	9	9
9	B Ordinary	£1	9	9
			<u>168</u>	<u>168</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019**

24. PENSION COMMITMENTS

Defined contribution schemes

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.

The charge for the year is as set out below, of which £3,172 (2018 - £3,550) was accrued at the balance sheet date.

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Charge to profit and loss in respect of defined contribution schemes	<u>41,686</u>	<u>24,089</u>	<u>5,687</u>	<u>3,118</u>

25. CONTINGENT LIABILITIES

The group's subsidiary undertakings are party to a cross guarantee in respect of bank borrowings of Roseville Care Homes Limited. At the balance sheet date, the net bank borrowings of Roseville Care Homes Limited amounted to £3,292,494 (2018: £3,626,400).

26. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 30 September 2019 and 30 September 2018:

	2019	2018
	£	£
Mrs D Knezevic-Sharp		
Balance outstanding at start of year	(133,357)	344,486
Amounts advanced	280,367	402,543
Amounts repaid	(172,812)	(880,386)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(25,802)</u>	<u>(133,357)</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2018

24. PENSION COMMITMENTS

Defined contribution schemes

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.

The charge for the year is set out below, of which £3,172 (2018 - £3,250) was accrued at the balance sheet date.

Company		Group		Charge to profit and loss in respect of defined contribution schemes
2018	2018	2018	2018	
£	£	£	£	
3,118	2,687	24,089	41,686	

25. CONTINGENT LIABILITIES

The group's subsidiary undertakings are party to a cross guarantee in respect of bank borrowings of Roseville Care Homes Limited. At the balance sheet date, the net bank borrowings of Roseville Care Homes Limited amounted to £3,252,494 (2018: £3,626,400).

26. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 30 September 2018 and 30 September 2017.

Mrs D Knezevic-Sharp		2018	2018
Balance outstanding at start of year		£	£
Amounts advanced		344,486	(133,327)
Amounts repaid		402,243	280,367
Amounts written off		(880,386)	(172,812)
Amounts waived		-	-
Balance outstanding at end of year		(133,327)	(22,802)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2019**

27. RELATED PARTY DISCLOSURES

During the year the group made loans to Lucolena Limited, a company controlled by Mrs D Knezevic-Sharp. The balance due to the group at 30 September 2019 was £1,092,028 (2018: £1,021,527), and is included in other debtors. Interest is charged on the loan at a commercial rate. Interest credited in the year amounted to £37,881 (2018: £12,641).

There were no other material related party transactions other than those disclosed in these financial statements, or exempt from disclosure.

There are no key management personnel other than the director. Details of the director's remuneration are provided in the notes to these financial statements.

28. POST BALANCE SHEET EVENTS

On 23 March 2020, after the date to which these financial statements are prepared, the UK government implemented a 'lockdown' on the UK population as a response to the spread of the COVID-19 virus.

As a result, a small number of the group's employees were placed on long term leave for the purposes of self-isolation. As with other operators of care facilities, the spread of the virus and the lockdown has caused operational challenges, not least being the co-ordination of staffing and the sourcing of, and cost of, protective equipment. At present the full financial effect of the response to COVID-19 cannot be quantified. However, the group has retained sufficient reserves to enable it to overcome such difficulties for the short to medium term.

Accordingly the director considers that the effects of COVID-19 constitute a non-adjusting post balance sheet event.

29. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mrs D Knezevic-Sharp.