

REGISTERED NUMBER: 04820472 (England and Wales)

**Group Strategic Report, Report of the Director and
Consolidated Financial Statements for the Year Ended 30 September 2018
for
Roseville Care Homes Limited**



**Contents of the Consolidated Financial Statements
for the Year Ended 30 September 2018**

	Page
Company Information	1
Group Strategic Report	2
Report of the Director	3
Report of the Independent Auditors	5
Consolidated Statement of Comprehensive Income	8
Consolidated Statement of Financial Position	9
Company Statement of Financial Position	10
Consolidated Statement of Changes in Equity	11
Company Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to the Consolidated Statement of Cash Flows	14
Notes to the Consolidated Financial Statements	15

Roseville Care Homes Limited

**Company Information
for the Year Ended 30 September 2018**

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 2018**

The director presents her strategic report of the company and the group for the year ended 30 September 2018.

REVIEW OF BUSINESS

The group has performed satisfactorily during the year. Bed occupancy at two of the five homes has materially increased, which has, despite unimproved or similar occupancy in other homes, resulted in increased revenue by 4%. Pre tax profits increased by 5%. During the year one of the homes received a rebate under the Kingscrest appeal. But for this rebate, the pre tax profits would have decreased by 4%. The key factor contributing to this was an increase in staffing costs.

The group is in a strong position financially, with net assets at 30 September 2018 amounting to £2.259m. The group complied with its bank loan covenants during the year.

The target for 2019 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 in 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.

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.

ON BEHALF OF THE BOARD:


.....
Mrs D Knezevic-Sharp - Director

Date: 20/06/19

**Report of the Director
for the Year Ended 30 September 2018**

The director presents her report with the financial statements of the company and the group for the year ended 30 September 2018.

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 £370,500 were paid.

DIRECTOR

Mrs D Knezevic-Sharp held office during the whole of the period from 1 October 2017 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 2018**

AUDITORS

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

ON BEHALF OF THE BOARD:

Dinke Knezevic - Sharp
.....
Mrs D Knezevic-Sharp - Director

Date: *20/06/19*

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 2018 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 2018 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

Opinion 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 three, 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: 25/06/2019

**Consolidated Statement of Comprehensive Income
for the Year Ended 30 September 2018**

	Notes	2018 £	2017 £
TURNOVER	3	5,558,106	5,328,121
Cost of sales		<u>3,708,687</u>	<u>3,377,674</u>
GROSS PROFIT		1,849,419	1,950,447
Administrative expenses		<u>750,396</u>	<u>878,399</u>
		1,099,023	1,072,048
Other operating income		<u>19</u>	<u>249</u>
OPERATING PROFIT	5	1,099,042	1,072,297
Interest receivable and similar income	7	<u>18,657</u>	<u>9,923</u>
		1,117,699	1,082,220
Interest payable and similar expenses	8	<u>178,511</u>	<u>189,057</u>
PROFIT BEFORE TAXATION		939,188	893,163
Tax on profit	9	<u>183,150</u>	<u>171,757</u>
PROFIT FOR THE FINANCIAL YEAR		756,038	721,406
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>756,038</u>	<u>721,406</u>
Profit attributable to: Owners of the parent		<u>756,038</u>	<u>721,406</u>
Total comprehensive income attributable to: Owners of the parent		<u>756,038</u>	<u>721,406</u>

The notes form part of these financial statements

Roseville Care Homes Limited (Registered number: 04820472)

Consolidated Statement of Financial Position
30 September 2018

	Notes	£	2018	£	£	2017	£
FIXED ASSETS							
Intangible assets	12			-			-
Tangible assets	13			5,913,252			6,033,542
Investments	14			-			-
				<u>5,913,252</u>			<u>6,033,542</u>
CURRENT ASSETS							
Stocks	15			1,700			1,700
Debtors	16			1,571,256			661,535
Cash at bank and in hand				<u>1,254,965</u>			<u>1,134,768</u>
				2,827,921			1,798,003
CREDITORS							
Amounts falling due within one year	17			<u>2,111,450</u>			<u>1,365,820</u>
NET CURRENT ASSETS				<u>716,471</u>			<u>432,183</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				6,629,723			6,465,725
CREDITORS							
Amounts falling due after more than one year	18			(4,230,933)			(4,458,177)
PROVISIONS FOR LIABILITIES	23			<u>(140,086)</u>			<u>(134,400)</u>
NET ASSETS				<u>2,258,704</u>			<u>1,873,148</u>
CAPITAL AND RESERVES							
Called up share capital	24			168			150
Share premium				347,450			347,450
Retained earnings				<u>1,911,086</u>			<u>1,525,548</u>
SHAREHOLDERS' FUNDS				<u>2,258,704</u>			<u>1,873,148</u>

The financial statements were approved by the director on 20/06/19 and were signed by:

Dinka Knezevic Sharp
Mrs D Knezevic-Sharp - Director

The notes form part of these financial statements

Roseville Care Homes Limited (Registered number: 04820472)

**Company Statement of Financial Position
30 September 2018**

	Notes	£	2018	£	2017	£
FIXED ASSETS						
Intangible assets	12		-		-	
Tangible assets	13		542,898		523,611	
Investments	14		<u>1,718,783</u>		<u>1,718,783</u>	
			2,261,681		2,242,394	
CURRENT ASSETS						
Debtors	16	3,835,117		3,429,351		
Cash at bank and in hand		<u>881,021</u>		<u>1,120,231</u>		
		4,716,138		4,549,582		
CREDITORS						
Amounts falling due within one year	17	<u>1,998,807</u>		<u>1,703,776</u>		
NET CURRENT ASSETS			<u>2,717,331</u>		<u>2,845,806</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			4,979,012		5,088,200	
CREDITORS						
Amounts falling due after more than one year	18		(4,230,933)		(4,458,177)	
PROVISIONS FOR LIABILITIES	23		<u>(6,120)</u>		<u>(6,800)</u>	
NET ASSETS			<u>741,959</u>		<u>623,223</u>	
CAPITAL AND RESERVES						
Called up share capital	24		168		150	
Share premium			347,450		347,450	
Retained earnings			<u>394,341</u>		<u>275,623</u>	
SHAREHOLDERS' FUNDS			<u>741,959</u>		<u>623,223</u>	
Company's profit for the financial year			<u>489,218</u>		<u>322,963</u>	

The financial statements were approved by the director on 20/06/19 and were signed by:

Dinke Knezevic - Sharp
Mrs D Knezevic-Sharp - Director

The notes form part of these financial statements

**Consolidated Statement of Changes in Equity
for the Year Ended 30 September 2018**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 October 2016	150	1,034,142	347,450	1,381,742
Changes in equity				
Dividends	-	(230,000)	-	(230,000)
Total comprehensive income	-	<u>721,406</u>	-	<u>721,406</u>
Balance at 30 September 2017	<u>150</u>	<u>1,525,548</u>	<u>347,450</u>	<u>1,873,148</u>
Changes in equity				
Issue of share capital	18	-	-	18
Dividends	-	(370,500)	-	(370,500)
Total comprehensive income	-	<u>756,038</u>	-	<u>756,038</u>
Balance at 30 September 2018	<u>168</u>	<u>1,911,086</u>	<u>347,450</u>	<u>2,258,704</u>

The notes form part of these financial statements

**Company Statement of Changes in Equity
for the Year Ended 30 September 2018**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 October 2016	150	182,660	347,450	530,260
Changes in equity				
Dividends	-	(230,000)	-	(230,000)
Total comprehensive income	-	<u>322,963</u>	-	<u>322,963</u>
Balance at 30 September 2017	<u>150</u>	<u>275,623</u>	<u>347,450</u>	<u>623,223</u>
Changes in equity				
Issue of share capital	18	-	-	18
Dividends	-	(370,500)	-	(370,500)
Total comprehensive income	-	<u>489,218</u>	-	<u>489,218</u>
Balance at 30 September 2018	<u>168</u>	<u>394,341</u>	<u>347,450</u>	<u>741,959</u>

The notes form part of these financial statements

**Consolidated Statement of Cash Flows
for the Year Ended 30 September 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	658,204	1,399,394
Interest paid		(177,772)	(188,112)
Interest element of hire purchase payments paid		(739)	(945)
Tax paid		<u>(174,418)</u>	<u>(107,582)</u>
Net cash from operating activities		<u>305,275</u>	<u>1,102,755</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(70,336)	(37,974)
Interest received		<u>18,657</u>	<u>9,923</u>
Net cash from investing activities		<u>(51,679)</u>	<u>(28,051)</u>
Cash flows from financing activities			
Loan repayments in year		(231,865)	(740,546)
Capital repayments in year		(8,895)	(10,500)
Amount introduced by director		477,843	-
Amount withdrawn by director		-	(135,903)
Share issue		18	-
Equity dividends paid		<u>(370,500)</u>	<u>(230,000)</u>
Net cash from financing activities		<u>(133,399)</u>	<u>(1,116,949)</u>
Increase/(decrease) in cash and cash equivalents		<u>120,197</u>	<u>(42,245)</u>
Cash and cash equivalents at beginning of year	2	<u>1,134,768</u>	<u>1,177,013</u>
Cash and cash equivalents at end of year	2	<u><u>1,254,965</u></u>	<u><u>1,134,768</u></u>

The notes form part of these financial statements

**Notes to the Consolidated Statement of Cash Flows
for the Year Ended 30 September 2018**

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

	2018 £	2017 £
Profit for the financial year	756,038	721,406
Depreciation charges	190,626	205,134
Finance costs	178,511	189,057
Finance income	(18,657)	(9,923)
Taxation	<u>183,150</u>	<u>171,757</u>
	1,289,668	1,277,431
(Increase)/decrease in trade and other debtors	(1,254,207)	62,222
Increase in trade and other creditors	<u>622,743</u>	<u>59,741</u>
Cash generated from operations	<u>658,204</u>	<u>1,399,394</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 2018

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

Year ended 30 September 2017

	30.9.17 £	1.10.16 £
Cash and cash equivalents	<u>1,134,768</u>	<u>1,177,013</u>

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

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 2018. 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 2018**

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 2018**

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 or, if held under a finance lease, over the lease term, whichever is the shorter.

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 2018**

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 2018**

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 2018**

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:

	2018 £	2017 £
Care home services	5,020,755	4,830,104
Homecare services	537,351	498,017
	<u>5,558,106</u>	<u>5,328,121</u>

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

3. TURNOVER - continued

An analysis of turnover by geographical market is given below:

	2018 £	2017 £
United Kingdom	<u>5,558,106</u>	<u>5,328,121</u>
	<u>5,558,106</u>	<u>5,328,121</u>

4. EMPLOYEES AND DIRECTORS

	2018 £	2017 £
Wages and salaries	3,144,324	2,857,730
Social security costs	183,583	148,905
Other pension costs	<u>24,089</u>	<u>10,636</u>
	<u>3,351,996</u>	<u>3,017,271</u>

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

	2018	2017
Care and administration	208	229
Director	<u>1</u>	<u>1</u>
	<u>209</u>	<u>230</u>

	2018 £	2017 £
Director's remuneration	<u>8,160</u>	<u>7,887</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2018 £	2017 £
Other operating leases	17,892	11,390
Depreciation - owned assets	178,787	188,884
Depreciation - assets on hire purchase contracts	11,839	11,839
Goodwill amortisation	-	4,411
Auditors' remuneration	21,600	24,810
Stock recognised as expenses in the year	<u>364,851</u>	<u>330,411</u>

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

6. EXCEPTIONAL ITEMS

	2018 £	2017 £
Exceptional items	<u>94,415</u>	<u>-</u>

During the 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

	2018 £	2017 £
Deposit account interest	2,720	1,750
Other interest receivable	3,120	8,173
Interest on taxation	176	-
Interest from loans	<u>12,641</u>	<u>-</u>
	<u>18,657</u>	<u>9,923</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>18,657</u>	<u>9,923</u>
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8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £	2017 £
Bank loan interest	177,772	188,112
Hire purchase	<u>739</u>	<u>945</u>
	<u>178,511</u>	<u>189,057</u>

9. TAXATION

Analysis of the tax charge

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

	2018 £	2017 £
Current tax:		
UK corporation tax	190,403	187,357
Prior year under/over provision	<u>(12,939)</u>	<u>-</u>
Total current tax	177,464	187,357
Deferred tax	<u>5,686</u>	<u>(15,600)</u>
Tax on profit	<u>183,150</u>	<u>171,757</u>

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

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:

	2018 £	2017 £
Profit before tax	<u>939,188</u>	<u>893,163</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.500%)	178,446	174,167
Effects of:		
Expenses not deductible for tax purposes	194	-
Capital allowances in excess of depreciation	-	(2,281)
Depreciation in excess of capital allowances	13,559	-
Utilisation of tax losses	(1,796)	-
Adjustments to tax charge in respect of previous periods	(12,939)	-
Other tax adjustments	-	(129)
Movement in deferred tax	<u>5,686</u>	<u>-</u>
Total tax charge	<u>183,150</u>	<u>171,757</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

	2018 £	2017 £
Ordinary shares of £1 each		
Interim	310,000	230,000
A Ordinary shares of £1 each		
Interim	30,250	-
B Ordinary shares of £1 each		
Interim	<u>30,250</u>	<u>-</u>
	<u>370,500</u>	<u>230,000</u>

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

12. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 October 2017 and 30 September 2018	<u>521,946</u>
AMORTISATION	
At 1 October 2017 and 30 September 2018	<u>521,946</u>
NET BOOK VALUE	
At 30 September 2018	<u>-</u>
At 30 September 2017	<u>-</u>

Company

	Goodwill £
COST	
At 1 October 2017 and 30 September 2018	<u>81,000</u>
AMORTISATION	
At 1 October 2017 and 30 September 2018	<u>81,000</u>
NET BOOK VALUE	
At 30 September 2018	<u>-</u>
At 30 September 2017	<u>-</u>

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

13. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 October 2017	6,643,616	999,706	55,757	7,699,079
Additions	<u>37,229</u>	<u>33,107</u>	<u>-</u>	<u>70,336</u>
At 30 September 2018	<u>6,680,845</u>	<u>1,032,813</u>	<u>55,757</u>	<u>7,769,415</u>
DEPRECIATION				
At 1 October 2017	780,599	858,635	26,303	1,665,537
Charge for year	<u>109,114</u>	<u>67,573</u>	<u>13,939</u>	<u>190,626</u>
At 30 September 2018	<u>889,713</u>	<u>926,208</u>	<u>40,242</u>	<u>1,856,163</u>
NET BOOK VALUE				
At 30 September 2018	<u>5,791,132</u>	<u>106,605</u>	<u>15,515</u>	<u>5,913,252</u>
At 30 September 2017	<u>5,863,017</u>	<u>141,071</u>	<u>29,454</u>	<u>6,033,542</u>

Included in cost of land and buildings is freehold land of £1,001,379 (2017 - £1,001,379) which is not depreciated.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 October 2017	47,357
Transfer to ownership	<u>(47,357)</u>
At 30 September 2018	<u>-</u>
DEPRECIATION	
At 1 October 2017	23,678
Charge for year	11,839
Transfer to ownership	<u>(35,517)</u>
At 30 September 2018	<u>-</u>
NET BOOK VALUE	
At 30 September 2018	<u>-</u>
At 30 September 2017	<u>23,679</u>

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

13. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Fixtures and fittings £	Totals £
COST			
At 1 October 2017	638,400	229,480	867,880
Additions	<u>37,229</u>	<u>8,870</u>	<u>46,099</u>
At 30 September 2018	<u>675,629</u>	<u>238,350</u>	<u>913,979</u>
DEPRECIATION			
At 1 October 2017	153,281	190,988	344,269
Charge for year	<u>11,678</u>	<u>15,134</u>	<u>26,812</u>
At 30 September 2018	<u>164,959</u>	<u>206,122</u>	<u>371,081</u>
NET BOOK VALUE			
At 30 September 2018	<u>510,670</u>	<u>32,228</u>	<u>542,898</u>
At 30 September 2017	<u>485,119</u>	<u>38,492</u>	<u>523,611</u>

Included in cost of land and buildings is freehold land of £54,500 (2017 - £54,500) which is not depreciated.

14. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 October 2017 and 30 September 2018	<u>1,718,783</u>
NET BOOK VALUE	
At 30 September 2018	<u>1,718,783</u>
At 30 September 2017	<u>1,718,783</u>

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

14. FIXED ASSET INVESTMENTS - continued

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

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	
	2018	2017	2018	2017
	£	£	£	£
Stocks	1,700	1,700	-	-

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

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	495,903	267,899	84,034	37,918
Amounts owed by group undertakings	-	-	2,726,469	3,040,445
Other debtors	1,022,439	522	1,021,527	20
Director's current account	-	344,486	-	344,486
Prepayments and accrued income	52,914	48,628	3,087	6,482
	<u>1,571,256</u>	<u>661,535</u>	<u>3,835,117</u>	<u>3,429,351</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts (see note 19)	276,488	281,109	276,488	281,109
Hire purchase contracts (see note 20)	-	8,895	-	-
Trade creditors	526,341	330,480	86,184	43,035
Amounts owed to group undertakings	-	-	1,361,695	1,233,703
Corporation tax	190,403	187,357	30,981	25,100
Social security and other taxes	404,525	-	-	-
Other creditors	375,293	377,490	89,770	103,169
Director's current account	133,357	-	133,357	-
Accruals and deferred income	205,043	180,489	20,332	17,660
	<u>2,111,450</u>	<u>1,365,820</u>	<u>1,998,807</u>	<u>1,703,776</u>

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans (see note 19)	<u>4,230,933</u>	<u>4,458,177</u>	<u>4,230,933</u>	<u>4,458,177</u>

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

19. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>276,488</u>	<u>281,109</u>	<u>276,488</u>	<u>281,109</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>287,307</u>	<u>291,289</u>	<u>287,307</u>	<u>291,289</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>2,240,939</u>	<u>2,357,415</u>	<u>2,240,939</u>	<u>2,357,415</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>1,702,687</u>	<u>1,809,473</u>	<u>1,702,687</u>	<u>1,809,473</u>

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 £2.690m (30 September 2018 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	Hire purchase contracts	
	2018	2017
	£	£
Net obligations repayable:		
Within one year	<u>-</u>	<u>8,895</u>

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

20. LEASING AGREEMENTS - continued

Group

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	6,148	12,296
Between one and five years	-	6,148
	<u>6,148</u>	<u>18,444</u>

The parent company had no leasing agreement commitments at 30 September 2018 and 2017.

21. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2018	2017
	£	£
Hire purchase contracts	-	8,895

22. FINANCIAL INSTRUMENTS

The group and company have the following financial instruments:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Carrying amount of financial assets:				
Debt instruments measured at amortised cost	2,780,551	1,741,751	4,720,295	4,537,176
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	5,747,455	5,636,640	6,198,759	6,136,853
	<u>5,747,455</u>	<u>5,636,640</u>	<u>6,198,759</u>	<u>6,136,853</u>

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

23. PROVISIONS FOR LIABILITIES

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Deferred tax				
Accelerated capital allowances	<u>140,086</u>	<u>134,400</u>	<u>6,120</u>	<u>6,800</u>
Group				
				Deferred tax
				£
Balance at 1 October 2017				134,400
Charge to Statement of Comprehensive Income during year				<u>5,686</u>
Balance at 30 September 2018				<u>140,086</u>
Company				
				Deferred tax
				£
Balance at 1 October 2017				6,800
Credit to Statement of Comprehensive Income during year				<u>(680)</u>
Balance at 30 September 2018				<u>6,120</u>

24. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2018	2017
			£	£
150	Ordinary	£1	150	150
9	A Ordinary	£1	9	-
9	B Ordinary	£1	<u>9</u>	<u>-</u>
			<u>168</u>	<u>150</u>

The following shares were allotted and fully paid for cash at par during the year:

9 A Ordinary shares of £1 each
9 B Ordinary shares of £1 each

The 18 shares issued during the year at par for cash consideration rank pari passu with the existing ordinary shares.

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

25. 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 £3,550 (2017 - £5,591) was accrued at the balance sheet date.

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Charge to profit and loss in respect of defined contribution schemes	<u>24,089</u>	<u>10,636</u>	<u>3,118</u>	<u>2,122</u>

26. 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 £3,626,400 (2017: £3,619,055).

27. 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:

	2018	2017
	£	£
Mrs D Knezevic-Sharp		
Balance outstanding at start of year	344,486	208,584
Amounts advanced	402,543	398,043
Amounts repaid	(880,386)	(262,141)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(133,357)</u>	<u>344,486</u>

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

28. 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 2018 was £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 £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.

29. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mrs D Knezevic-Sharp.