

**RV Care Homes Limited (formerly
known as Avonpark Limited)**
**Annual report and financial statements
for the period ended 30 September 2018**

Registered number: 07417290



RV Care Homes Limited

Annual report and financial statements for the period ended
30 September 2018

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RV Care Homes Limited

Annual report and financial statements for the period ended
30 September 2018

Officers and professional advisers

Directors

Mr Justin Hutchens (appointed 29 September 2017)
Mr David Smith (appointed 29 September 2017)
Dr Chaitanya Patel (appointed 30 November 2018)
Sir William Wells (appointed 30 November 2018)
Mr John Ransford (appointed 30 November 2018)
Sir David Behan (appointed 20 November 2018)
Mr David Thomas (resigned 29 September 2017)
Mr Neil Donaldson (resigned 29 September 2017)
Mr Nigel Welby (resigned 29 September 2017)

Registered Office

Southgate House
Archer Street
Darlington
County Durham
DL3 6AH

Bankers

Lloyds Bank
3rd Floor
10 Gresham Street
London
EC2V 7AE

Auditor

Deloitte LLP
Statutory Auditor
1 Trinity Gardens
Newcastle upon Tyne
United Kingdom
NE1 2HF

RV Care Homes Limited

Annual report and financial statements for the period ended
30 September 2018

Strategic Report

Business Review

On the 4 May 2017, RV Care Homes Limited the (“the Company”) changed its name from RV Avonpark Limited.

On 29 September 2017, the company was acquired by HC-One Limited, a member of the Group headed by FC Skyfall Upper Midco Limited. On this date, trade and net assets were transferred into RV Care Homes Limited from eight separate companies within the group of the previous operator (Retirement Village Group Limited), and RV Care Homes Limited began to actively trade.

The principal activity of RV Care Homes Limited (“the Company”) during the period was the provision of nursing and residential care services, caring for over 300 residents across 9 homes in the UK.

Results

The directors took the decision to change the year end to 30 September to be in line with fellow group companies. The comparative figures in the profit and loss account therefore show the results for the year ended 31 March 2017. The current period figures in the profit and loss account shown are for the 18 months ended 30 September 2018.

The Company’s profit for the period ended 30 September 2018 amounted to £925,000 (year ended 31 March 2017: £nil) and included £236,000 exceptional costs (year ended 31 March 2017: £nil). Before exceptional costs, profit after tax was £1,161,000 (year ended 31 March 2017: £nil).

The Company’s gross profit on ordinary activities for the period ended 30 September 2018 amounted to £1,680,000 (year ended 31 March 2017: £nil) and included £52,000 (year ended 31 March 2017: £nil) of depreciation.

As at 30 September 2018 the Company had net assets of £925,000 (31 March 2017: £100).

Key performance indicators

The principal Key Performance Indicators (KPIs) used by the Company to measure its own performance are shown below:

	<u>At 30 September 2018</u>	<u>At 29 September 2017</u>	<u>Increase/(Decrease)</u>
Average occupancy	77.1%	78.2%	(1.1%)
Average weekly fee rate	£1,042	£1,038	£4

The company began to trade on 29 September 2017, taking over the trade from eight companies from the previous operators. As such the comparators above are comparing the period ended 30 September 2018 with the date of acquisition and start of trading.

Average occupancy has remained steady experiencing a slight decrease in occupancy, whilst average weekly fee rates having experienced a marginal increase. The results show a static picture throughout the period owing to an effective integration into the Group.

RV Care Homes Limited

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Strategic Report (continued)

Going Concern

The going concern position of the Company is dependent on the overall going concern position of the Group headed by FC Skyfall Upper Midco Limited.

The Directors have reviewed the going concern position of the Company and the Group carefully in the preparation of the financial statements.

Management have prepared detailed forecasts for the Group for the period to 30 September 2021. Net debt levels, servicing costs and covenant requirements are closely monitored and managed in accordance with the Group's objectives, policies and processes.

The Company and the Group maintain sufficient cash resources to meet their day-to-day working capital requirements.

The Directors believe that the Company and the Group are well placed to manage their risk appropriately.

The Directors have received written confirmations from its group undertakings that they do not intend to recall any debts due on demand that would prevent the company from continuing its business operations as a going concern, for a period of at least 12 months from the date of approval of the financial statements for the period ended 30 September 2018. The Company's group undertakings have sufficient resources to continue to support the Company.

After making enquiries and based on the Company's and the Group's forecasts and projections, taking into account reasonable possible changes in trading performance, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they adopt the going concern basis of accounting in preparing the annual financial statements.

Principal risks and financial risk management objectives and policies

Financial risks

The Company's activities expose it to a number of financial risks including credit risk and liquidity risk.

Credit risk

The Company's principal financial assets are bank balances and cash, trade and other receivables.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and their assessment of the current economic climate.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

The Company has continued to maintain liquidity and sufficient working capital for its ongoing operations and future developments. The directors have also received written confirmation from its group undertakings that debts due on demand will not be recalled in the event this would prevent the company from continuing as a going concern.

Operational risks

The Company's activities expose it to a number of operational risks including reputational risk and regulatory risk.

RV Care Homes Limited

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Strategic Report (continued)

Reputational risk

The Company is focused on the provision of care to the elderly, either long term, short term, respite nursing or residential care. Any serious incident relating to the provision of care services could result in negative publicity and may result in an increase in scrutiny from regulators, residents and families.

In order to mitigate this risk the Company delivers employee training via a multi-award winning mandatory and specialist Learning and Development programme, has independent quality inspectors, carries out a Disclosure and Barring Service check on all care staff and monitors compliance with an industry-best electronic system.

Regulatory risk

The Company's operations are subject to an increasingly high level of regulation and scrutiny by various regulators in the UK. Inspections are largely unannounced and often involve several inspectors per home. The failure to meet national regulations could lead to a service being placed under special measures, being subject to enforcement notices or possibly forced to close. The CQC also have the power to issue fines and prosecute.

In order to mitigate this risk the Company has a dedicated compliance department that manages regulatory matters. In addition, quality measures are monitored on a weekly basis, with management interventions where appropriate.

Approved by the Board and signed on its behalf by:



David Smith
Director
25 January 2019

RV Care Homes Limited

Annual report and financial statements for the period ended 30 September 2018

Directors' Report

The directors present their annual report and the audited financial statements together with the auditor's opinion of RV Care Homes Limited ("the Company") for the period ended 30 September 2018.

Principal activities

The principal activity of the Company is the operation of care homes for the elderly in the United Kingdom.

Details of the principal risks and uncertainties, including financial risk, are provided within the strategic report and form part of this report by cross-reference.

Dividends

The directors note that £nil dividends were paid during the period to 30 September 2018 (year ended 31 March 2017: £nil).

Directors

Mr Justin Hutchens (appointed 29 September 2017)
Mr David Smith (appointed 29 September 2017)
Dr Chaitanya Patel (appointed 30 November 2018)
Sir William Wells (appointed 30 November 2018)
Mr John Ransford (appointed 30 November 2018)
Sir David Behan (appointed 20 November 2018)
Mr David Thomas (resigned 29 September 2017)
Mr Neil Donaldson (resigned 29 September 2017)
Mr Nigel Welby (resigned 29 September 2017)

Directors' Indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors, which were made during the period and remain in force to the date of this report.

Disabled employees

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

Employment consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings and the weekly newsletters.

Future Developments

The Group has established a reputation as a high quality provider of residential and nursing care in the UK. The Group has invested heavily in the portfolio and workforce in order to ensure it offers the best possible environments in which to deliver high quality and kind care. The Group is striving to become the provider of the kindest care in the UK and the first choice care home provider in each community. To do this, the Group will continue to develop relationships with local authority and NHS commissioners with the aim of becoming a genuine and a trusted partner within increasingly integrated and area specific health and social care systems.

RV Care Homes Limited

Annual report and financial statements for the period ended
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Directors' Report (continued)

Events after the balance sheet date

Details of significant events since the balance sheet date are contained in note 25 to the financial statements.

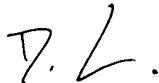
Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Approved by the Board and signed on its behalf by:



David Smith
Director
25 January 2019

RV Care Homes Limited

Annual report and financial statements for the period ended
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Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

RV Care Homes Limited

Annual report and financial statements for the period ended
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Independent auditor's report to the members of RV Care Homes Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of RV Care Homes Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its profit for the 18 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 25.

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).

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 auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council'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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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.

We have nothing to report in respect of these matters.

RV Care Homes Limited

Annual report and financial statements for the period ended
30 September 2018

Independent auditor's report to the members of RV Care Homes Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

RV Care Homes Limited

Annual report and financial statements for the period ended
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Independent auditor's report to the members of RV Care Homes Limited (continued)

Report on other legal and regulatory requirements

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

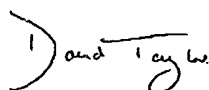
We have nothing to report in respect of these matters.

Other matter

As the company was exempt from audit under section 480 of the Companies Act 2006 in the prior year we have not audited the corresponding amounts for that year.

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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Taylor (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Newcastle upon Tyne
United Kingdom
25 January 2019

RV Care Homes Limited

Annual report and financial statements for the period ended
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Profit and loss account for the period ended 30 September 2018

	Note	Ordinary Activities	Exceptional Costs (Note 8)	Total	Total (Unaudited)
		18 months to 30 September 2018 £'000	18 months to 30 September 2018 £'000	18 months to 30 September 2018 £'000	Year to 31 March 2017 £'000
Turnover		16,979	-	16,979	-
Cost of sales	4	(15,299)	(236)	(15,535)	-
Gross profit		1,680	(236)	1,444	-
Administrative expenses		(508)	-	(508)	-
Operating profit	5	1,172	(236)	936	-
Interest payable and similar expenses	9	(8)	-	(8)	-
Profit before taxation		1,164	(236)	928	-
Tax on profit	10	(3)	-	(3)	-
Profit after taxation		1,161	(236)	925	-

All activities relate to continuing operations.

There is no other comprehensive income in the financial period other than the profit for the period. Accordingly no separate statement of comprehensive income is disclosed.

RV Care Homes Limited

Annual report and financial statements for the period ended
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Balance sheet as at 30 September 2018

	Note	2018 £'000	2017 (Unaudited) £'000
Fixed assets			
Intangible assets	12	(178)	-
Tangible assets	13	1,072	-
Total fixed assets		894	-
Current assets			
Stock	14	38	-
Debtors: amounts due within one year	15	2,781	-
Cash at bank and in hand	16	947	-
Total current assets		3,766	-
Creditors: amounts falling due within one year	17	(3,732)	-
Net current assets		34	-
Total assets		928	-
Provisions for liabilities	18	(3)	-
Net assets		925	-
Capital and reserves			
Called-up share capital	19	-	-
Profit and loss account		925	-
Equity shareholders' funds		925	-

The financial statements were approved by the Board of directors on and authorised for issue on 25 January 2019 and were signed on its behalf by:



David Smith
Director
25 January 2019
RV Care Homes Limited
Registered number 07417290

RV Care Homes Limited

Annual report and financial statements for the period ended
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Statement of changes in equity at 30 September 2018

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
At 31 March 2017 and 31 March 2016	-	-	-
Profit for the financial period	-	925	925
At 30 September 2018	-	925	925

RV Care Homes Limited

Annual report and financial statements for the period ended
30 September 2018

Notes to the financial statements for the period ended 30 September 2018

1. Accounting policies

The directors took the decision to change the year end to 30 September to be in line with fellow group companies, as a result of the acquisition of the Company in the period. The comparative figures in the profit and loss account therefore show the results for the year ended 31 March 2017. The current period figures in the profit and loss account shown are for the 18 months ended 30 September 2018. The accounting policies have been applied consistently throughout the current period and prior year.

Basis of preparation

RV Care Homes Limited ('the Company') is a company incorporated in the United Kingdom under the Companies Act 2006. The company is a private company limited by shares and is registered in England and Wales. The address of the registered office is Southgate House, Archer Street, Darlington, County Durham, DL3 6AH. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 to 4.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of FC Skyfall Upper Midco Limited, which can be obtained from Companies House at Crown Way, Cardiff, Wales, CF14 3UZ. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement, remuneration of key management personnel and related parties.

Going concern

The Company's business activities, together with the principal risks and uncertainties likely to affect its future development, performance and financial position are set out in the Strategic Report.

The going concern position of the Company is dependent on the overall going concern position of the Group headed by FC Skyfall Upper Midco Limited.

The Directors have reviewed the going concern position of the Company and the Group carefully in the preparation of the financial statements.

Management have prepared detailed forecasts for the Group for the period to 30 September 2021. Net debt levels, servicing costs and covenant requirements are closely monitored and managed in accordance to the Group's objectives, policies and processes.

The Company and the Group maintain sufficient cash resources to meet its day-to-day working capital requirements.

The Directors believe that the Company and the Group are well placed to manage its risk appropriately.

The Directors have received written confirmations from its Group undertakings that they do not intend to recall any debts due on demand for a period of at least 12 months from the date of approval of the financial statements for the period ended 30 September 2018. The Company's group undertakings have sufficient resources to continue to support the Company.

RV Care Homes Limited

Annual report and financial statements for the period ended
30 September 2018

Notes to the financial statements for the period ended 30 September 2018 (continued)

1. Accounting policies (continued)

Going concern (continued)

After making enquiries and based on the Company's and the Group's forecasts and projections, taking into account reasonable possible changes in trading performance, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover represents fee income receivable from care services provided. Turnover is recognised in the period in which the Company obtains the right to consideration as the services provided under contracts have been delivered and is recorded at the value of the consideration due. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of Creditors due within one year.

Exceptional costs

Where applicable, the Company separately presents certain items as exceptional on the face of the profit and loss account. Exceptional items are material items of income or expense that, because of their size or incidence, are shown separately to improve a reader's understanding of the financial information. Further information is given in note 8.

Finance income

Finance income includes interest receivable on deposits calculated using the effective interest method. Interest income is recognised in the profit and loss account as it accrues.

Finance costs

Finance costs include interest payable on borrowings calculated using the effective interest method. Interest expenses are recognised in the profit and loss account as they accrue.

Pension costs

The Company operates both a Company Default Pension Scheme and a Stakeholder Pension Scheme. The Company Default Pension Scheme is managed by an external third party. The Stakeholder Pension Scheme is managed by the Company and funds are invested on the employee's behalf. Both the Default Pension Scheme and the Stakeholder Pension Scheme is accounted for as a defined contribution scheme and therefore the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Taxation

The charge for taxation is based on the result for the period and takes into account deferred taxation.

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the year in which timing differences reverse, based on current tax rates and laws.

RV Care Homes Limited

Annual report and financial statements for the period ended
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Notes to the financial statements for the period ended 30 September 2018 (continued)

1. Accounting policies (continued)

Intangible fixed assets – Licenses

Separately acquired licenses are included at cost and amortised on a straight line basis over their estimated useful economic life equal to the length of the license.

Intangible assets – Negative goodwill arising on business combination

The acquisition of RV Care Homes Limited was completed on 29 September 2017 for total cash consideration of £1 giving rise to negative goodwill. Negative goodwill, which represents the excess of the fair value of the identifiable assets and liabilities acquired over the cost of an acquisition, is included in the balance sheet and is amortised over the years expected to benefit. The period of amortisation is 10 years.

Tangible fixed assets

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

Leasehold improvements	-	shorter of the term of the lease, or the useful economic life of the asset
Fixtures and fittings	-	over 3-10 years
Motor vehicles	-	over 5 years

Impairment reviews are performed where there are indicators that the carrying value may not be recoverable. An impairment loss is recognised in the income statement to reduce the carrying value to the recoverable amount.

Stock

Stock is valued at the lower of cost and estimated net realisable value.

Debtors

Debtors are recognised at cost less any provision for impairment.

Creditors

Trade creditors are recorded initially at fair value, net of transaction costs incurred. Any difference between the amount initially recognised and the redemption value is recognised in the profit and loss account over the year of the borrowing using the effective interest rate method.

Other creditors and accruals are measured at the best estimate of the expenditure required to settle the obligation.

Share capital

Ordinary shares are classified as equity and recorded at the par value of proceeds received, net of direct issue costs.

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the lower of fair value at acquisition or at the present value of the minimum lease payments and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the lease term to produce a constant rate of interest on the outstanding obligation.

All other leases are operating leases and are charged to the profit and loss account on a straight-line basis over the lease term, even if the payments are not made on such a basis. No asset is recognised on the Company's balance sheet.

RV Care Homes Limited

Annual report and financial statements for the period ended
30 September 2018

Notes to the financial statements for the period ended 30 September 2018 (continued)

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies and key source of estimation uncertainty

The following are the key sources of estimation uncertainty that the directors have assessed as being applicable to the entity and that have the most significant effect on the amounts recognised in the financial statements. It is deemed that there are no critical accounting judgements.

Fixtures and fittings

Accounting for fixtures and fittings involves the use of estimates for determining (a) the useful lives of the assets, over which they are to be depreciated, and (b) the existence and amount of any impairment. Details of fixtures and fittings are provided in note 13.

Fixtures and fittings are depreciated on a straight line basis over their estimated useful lives. When the Company estimates useful lives various factors are considered including expected technology obsolescence and the expected usage of the asset. The Company regularly reviews these assets useful lives and future economic utilisation and the physical condition of the assets concerned. A significant change in these circumstances may have a material impact on the carrying value of these assets.

The carrying value of fixtures and fittings is assessed periodically to determine whether there are indications of any impairment of the value beyond the depreciation charge. If this is the case, an impairment charge is taken against the carrying value of the assets and charged to profit and loss account.

Deferred tax assets and liabilities

Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised; in particular judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income. Refer to note 18 for further details of deferred tax liabilities recognised.

3. Segmental analysis

RV Care Homes Limited operates under one segment, of which the origin and destination of all turnover is the United Kingdom.

4. Cost of sales

Cost of sales includes home payroll costs, home running costs, rent, depreciation and amortisation.

RV Care Homes Limited

Annual report and financial statements for the period ended
30 September 2018

Notes to the financial statements for the period ended 30 September 2018 (continued)

5. Operating Profit

	Period ended 30 September 2018 £'000	Year ended 31 March 2017 £'000
Operating profit is stated after charging:		
Wages and salaries	10,461	-
Social security costs	541	-
Other pension costs	79	-
Staff costs	11,081	-
Depreciation of owned tangible fixed assets (note 13)	52	-
Amortisation of intangible assets (note 12)	31	-
Operating Lease Charges – Land & Buildings	1,421	-
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	29	-
Fees payable to the Company's auditor for tax compliance services	5	-

Fees payable to the Company's auditor for the audit of the Company's annual financial statements include an amount payable for the audit of RV Extra Care Limited, a fellow group undertaking. These costs were not separately identifiable and therefore £29,000 has been fully recognised within the accounts of the Company.

In the period ended 30 September 2018, £nil recharges were made to RV Extra Care Limited for the provision of both audit and non-audit services.

6. Directors' emoluments

	Period ended 30 September 2018 £'000	Year ended 31 March 2017 £'000
Aggregate emoluments inclusive of benefits in kind	12	-
Pension contributions	-	-
	12	-
No. of directors accruing benefits under defined contribution scheme	1	-
Highest paid director	Period ended 30 September 2018 £'000	Year ended 31 March 2017 £'000
Aggregate emoluments inclusive of benefits in kind	12	-
Pension contributions	-	-
	12	-

RV Care Homes Limited

Annual report and financial statements for the period ended
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Notes to the financial statements for the period ended 30 September 2018 (continued)

7. Employee information

The average monthly number of persons employed by the Company during the period was:

By activity	Period ended 30 September 2018 No.	Year ended 31 March 2017 No.
Managers and care staff	474	-
Total average monthly number of employees	474	-

8. Exceptional costs

	Period ended 30 September 2018 £'000	Year ended 31 March 2017 £'000
Restructuring costs	236	-
Total exceptional costs	236	-

Restructuring costs

Exceptional costs totalling £236,000 (2017: £nil) have been incurred relating to the restructuring costs in the 18 months ended 30 September 2018.

9. Interest payable and similar expenses

	Period ended 30 September 2018 £'000	Year ended 31 March 2017 £'000
Bank loans and overdraft	8	-
Total interest payable	8	-

RV Care Homes Limited

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Notes to the financial statements for the period ended 30 September 2018 (continued)

10. Tax on profit

	Period ended 30 September 2018 £'000	Year ended 31 March 2017 £'000
Current tax:		
UK Corporation tax on profits for the period	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	4	-
Effect of changes in tax rates	(1)	-
Total deferred tax (see note 18)	3	-
Total tax per profit and loss account	3	-

The charge for the period can be reconciled to the profit per the profit and loss account as follows:

	Period ended 30 September 2018 £'000	Year ended 31 March 2017 £'000
Profit for the period	928	-
Tax on profit at standard UK tax rate of 19.00% (2017: 19.25%)	176	-
Effects of:		
Effects of group relief/other reliefs	(172)	-
Tax rate changes	(1)	-
Tax charge for the period	3	-

RV Care Homes Limited

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Notes to the financial statements for the period ended 30 September 2018 (continued)

11. Acquisition of trade and assets

The acquisition of RV Care Homes Limited was completed by FC Skyfall Upper Midco Limited on 29 September 2017 for total cash consideration of £1. On this date, trade and net assets were transferred into RV Care Homes Limited from eight separate companies within the Group of the previous operator. As a result of the £1 consideration, it is therefore considered that to properly recognise the value of the net assets acquired, negative goodwill would be arising. This negative goodwill will be amortised over a period of 10 years. The table sets out the fair value of the identifiable assets and liabilities acquired.

	Total £'000
Current Assets	
Stock	39
Debtors	765
At 30 September 2018	804
Current Liabilities	
Creditors	(606)
Total Liabilities	(606)
Net Assets Acquired	198
Total Consideration	-
Negative Goodwill on Acquisition	(198)

RV Care Homes Limited

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Notes to the financial statements for the period ended 30 September 2018 (continued)

12. Intangible assets

	Negative Goodwill £'000	Software Licences £'000	Total £'000
Cost			
At 1 April 2017	-	-	-
Additions	(198)	51	(147)
Disposals	-	-	-
At 30 September 2018	(198)	51	(147)
Amortisation			
At 1 April 2017	-	-	-
Charge in period	20	(51)	(31)
Disposals	-	-	-
At 30 September 2018	20	(51)	(31)
Net Book Value			
At 1 April 2017	-	-	-
At 30 September 2018	(178)	-	(178)

13. Tangible fixed assets

	Leasehold Improvements £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 April 2017	-	-	-
Additions	614	510	1,124
At 30 September 2018	614	510	1,124
Depreciation			
At 1 April 2017	-	-	-
Charge for the period	(19)	(33)	(52)
At 30 September 2018	(19)	(33)	(52)
Net Book Value			
At 1 April 2017	-	-	-
At 30 September 2018	595	477	1,072

RV Care Homes Limited

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Notes to the financial statements for the period ended 30 September 2018 (continued)

14. Stocks

	2018 £'000	2017 £'000
Consumables	38	-

The replacement cost of the above stocks would not be significantly different from the values stated.

15. Debtors – amounts falling due within one year

	2018 £'000	2017 £'000
Trade debtors	1,566	-
Amounts owed from other Group entities	697	-
Other debtors	65	-
Prepayments and accrued income	453	-
Total debtors	2,781	-

Amounts owed from other Group entities

The amounts are due on demand bearing no interest. All amounts related to unsecured debt.

16. Cash at bank and in hand

	2018 £'000	2017 £'000
Total Cash at bank and in hand	947	-

17. Creditors – amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	1,183	-
Amounts owing to Parent entities	447	-
Other taxes and social security costs	140	-
Other creditors	780	-
Accruals and deferred income	1,182	-
Total creditors – amounts falling due within one year	3,732	-

Amounts owing to Parent entities

The amounts are due on demand bearing no interest. All amounts related to unsecured liabilities.

RV Care Homes Limited

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Notes to the financial statements for the period ended 30 September 2018 (continued)

18. Provision for liabilities

	2018 £'000	2017 £'000
Deferred tax liabilities:		
Provision at start of the period	-	-
Deferred tax charge to profit and loss account for the period	3	-
Provision at end of the period	3	-
	Booked 30 September 2018 £'000	Booked 31 March 2017 £'000
Fixed asset timing differences	5	-
Short term timing differences - trading	(2)	-
	3	-
Deferred tax (assets)		
Recoverable within 12 months	(2)	-
	(2)	-
Deferred tax liabilities		
Payable within 12 months	5	-
	5	-

Finance Act No.2 2015, which was substantively enacted on 26 October 2015, includes provisions to reduce the corporation tax to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. In addition, the Finance Act 2016 which was substantively enacted on 6th September 2016 introduced a further reduction in the main rate of corporation tax from 18% to 17% from 1 April 2020. Accordingly these rates have been applied when calculating deferred tax assets and liabilities as at 30 September 2018.

During the period commencing 1 October 2018, the net reversal of deferred tax assets is expected to reduce the corporation tax charge for the period by £3,000. This is primarily due to a reversal of timing differences.

There is no expiry date on timing differences, unused tax losses or tax credits.

RV Care Homes Limited

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Notes to the financial statements for the period ended 30 September 2018 (continued)

19. Called-up share capital

	2018 £	2017 £
Authorised		
One ordinary shares of £1 each	100	100
Allotted and fully paid		
One ordinary shares of £1 each	100	100

The profit and loss reserve represents cumulative profits and losses.

20. Defined Contribution schemes

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to the profit and loss in the period ended 30 September 2018 was £79,000 (year ended 31 March 2017: £nil).

21. Financial commitments

Capital commitments relate to amounts contracted for in relation to the purchase of property, plant and equipment. The total capital commitment in the period ended 30 September 2018 was £nil (2017:£nil).

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018 £'000	2017 £'000
- within one year	1,304	-
- between one and five years	5,224	-
- in more than five years	24,812	-

The operating lease of land and buildings relates to care homes which are subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

22. Related party transactions

Identity of related parties

The Company has taken the exemption provided under FRS 102 to not disclose intercompany transactions with other group undertakings within the FC Skyfall Upper Midco Limited group.

RV Care Homes Limited

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Notes to the financial statements for the period ended 30 September 2018 (continued)

23. Ultimate parent undertakings

The Company's immediate parent undertaking is HC-One Limited, a company incorporated in England.

The ultimate parent undertaking and controlling party is FC Skyfall LP, a limited partnership incorporated and registered in the Cayman Islands. FC Skyfall Upper Midco Limited is both the smallest and largest group for which consolidated financial statements are drawn up. The registered address of FC Skyfall Upper Midco Limited is 25 Canada Square, Level 37, London, England, E14 5LQ.

Copies of FC Skyfall Upper Midco Limited financial statements to 30 September 2018 are available from the Companies House at Crown Way, Cardiff, Wales CF14 3UZ.

24. Contingent Liabilities and Guarantees

The Company and its group undertakings are guarantors to a facility agreement entered into by FC Skyfall Bidco Limited, the Company's intermediate parent undertaking. The facility is secured by a fixed and floating charge over the group assets and unlimited guarantee from its group undertakings. As at 25 January 2019 the outstanding loan amount is £273.0m.

25. Subsequent events

No subsequent events are noted between the period end date and the date of signing this report.