

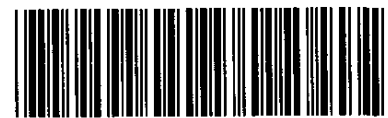
Registered number: 09521668

ROTHERWOOD HEALTHCARE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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ROTHERWOOD HEALTHCARE LIMITED

COMPANY INFORMATION

Directors	R Claridge J Fennell
Registered number	09521668
Registered office	11 Merus Court Meridian Business Park Leicester LE19 1RJ
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors 11 Merus Court Meridian Business Park Leicester LE19 1RJ

ROTHERWOOD HEALTHCARE LIMITED

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ROTHERWOOD HEALTHCARE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

Introduction

The principal activity of the Company during the year continued to be that of a property management company.

Business review

The Company has delivered a satisfactory result for the current period. Further to group acquisitions, the Company continues its capital investment programme to ensure it can maintain value for service users.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. Risks are formally reviewed by the board and appropriate processes are put in place to monitor and mitigate them.

The key business risks affecting the Company are set out below:

Credit Risk

New credit service users are only accepted after they have been approved by the credit controller. The Company undertakes perpetual review processes to make sure debts are collected in a timely manner.

Liquidity Risk

The Company is currently financed with short-term finance. The Company aims to seek appropriate long-term finance to provide the support required necessary to match the needs of the business.

COVID-19

After reviewing the Company's projections, taking into account the effects of the global pandemic and lockdown measures, the directors have a reasonable expectation that the Company has adequate resources and support to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial information. Post year end the Company has traded profitably despite the impact of COVID-19 and has strengthened its cash position.

Financial key performance indicators

Key performance indicators used by the Company are as follows:

- Turnover
- Gross profit margin
- Profit on ordinary activities before taxation

During the year turnover has increased by £7,502, (8.1%) to £100,002 compared to £92,500 in 2019.

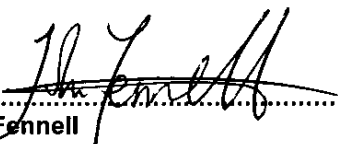
During the year gross loss margin has increased by £67,512 (83.7%) to (£148,163) compared to (£80,651) in 2019.

During the year net profit margin has decreased by £51,401 (12.5%) to £362,868 compared to £414,269 in 2019.

ROTHERWOOD HEALTHCARE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

This report was approved by the board and signed on its behalf.


.....
J Fennell
Director

Date: 22/12/20

ROTHERWOOD HEALTHCARE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The directors present their report and the financial statements for the year ended 31 March 2020.

Results and dividends

The profit for the year, after taxation, amounted to £259,068 (2019 - £374,747).

Dividends amounting to £Nil (2019 - £Nil) were paid in the year.

Directors

The directors who served during the year were:

R Claridge
J Fennell

Future developments

Going forward the directors aim to continue to grow the business whilst keeping a tight control over costs.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

ROTHERWOOD HEALTHCARE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

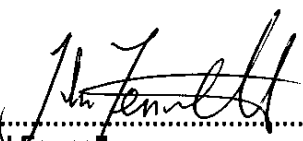
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

The outbreak of Covid-19 has been noted as a post balance sheet event. Please refer to the basis of preparation of financial statements accounting policy at 2.1 for further information.

There have been no other significant events affecting the Company since the year end.

This report was approved by the board and signed on its behalf.



.....
J Fennell
Director

Date: 22/12/20

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

ROTHERWOOD HEALTHCARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROTHERWOOD HEALTHCARE LIMITED

Opinion

We have audited the financial statements of Rotherwood Healthcare Limited (the 'Company') for the year ended 31 March 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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 Company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, 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 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 directors' use of the going concern basis of accounting in the 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.

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 Auditors' 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

ROTHERWOOD HEALTHCARE LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROTHERWOOD HEALTHCARE LIMITED
(CONTINUED)**

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.

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 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.

Matters on which we are required to report by exception

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 material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

ROTHERWOOD HEALTHCARE LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROTHERWOOD HEALTHCARE LIMITED
(CONTINUED)**


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 an Auditors' 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.



Shiran Wynter ACA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date: 22/12/2020

ROTHERWOOD HEALTHCARE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Turnover	4	100,002	92,500
Cost of sales		(248,165)	(173,151)
Gross loss		(148,163)	(80,651)
Administrative expenses		(323,926)	(390,678)
Other operating income	5	1,224,286	1,227,299
Operating profit	6	752,197	755,970
Interest payable and expenses	9	(389,329)	(341,701)
Profit before tax		362,868	414,269
Tax on profit	10	(103,800)	(39,522)
Profit for the financial year		259,068	374,747

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019 - £Nil).

The notes on pages 12 to 26 form part of these financial statements.

ROTHERWOOD HEALTHCARE LIMITED
REGISTERED NUMBER: 09521668

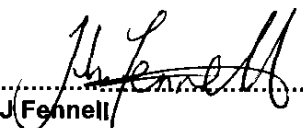
BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	128,544	121,157
Investments	12	1,160,161	1,160,161
Investment property	13	17,893,098	17,830,000
		<u>19,181,803</u>	<u>19,111,318</u>
Current assets			
Debtors: amounts falling due within one year	14	893,767	863,427
Cash at bank and in hand		17,992	3,633
		<u>911,759</u>	<u>867,060</u>
Creditors: amounts falling due within one year	15	(4,977,026)	(4,612,962)
Net current liabilities		<u>(4,065,267)</u>	<u>(3,745,902)</u>
Total assets less current liabilities		<u>15,116,536</u>	<u>15,365,416</u>
Creditors: amounts falling due after more than one year	16	(10,518,848)	(11,063,114)
Provisions for liabilities			
Deferred tax	18	(61,318)	(25,000)
		<u>(61,318)</u>	<u>(25,000)</u>
Net assets		<u><u>4,536,370</u></u>	<u><u>4,277,302</u></u>
Capital and reserves			
Called up share capital	19	100	100
Revaluation reserve	20	3,408,384	3,408,384
Profit and loss account	20	1,127,886	868,818
		<u><u>4,536,370</u></u>	<u><u>4,277,302</u></u>

ROTHERWOOD HEALTHCARE LIMITED
REGISTERED NUMBER: 09521668

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
J Fennell
Director

Date: 22/12/20

The notes on pages 12 to 26 form part of these financial statements.

ROTHERWOOD HEALTHCARE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2018	100	-	494,071	494,171
Comprehensive income for the year				
Profit for the year	-	-	374,747	374,747
Surplus on revaluation of freehold property	-	3,408,384	-	3,408,384
Total comprehensive income for the year	-	3,408,384	374,747	3,783,131
At 1 April 2019	100	3,408,384	868,818	4,277,302
Comprehensive income for the year				
Profit for the year	-	-	259,068	259,068
Total comprehensive income for the year	-	-	259,068	259,068
At 31 March 2020	100	3,408,384	1,127,886	4,536,370

Revaluation reserve

In the year ended 31 March 2019, Investment property was revalued leading to an increase in value of £3,408,384.

Profit and loss account

Includes all current and prior year retained profits and losses. All amounts are distributable.

ROTHERWOOD HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

Rotherwood Healthcare Limited is a private company, limited by shares, domiciled in England and Wales, registration number 09521668. The registered office is 11 Merus Court, Meridian Business Park, Leicester, LE19 1RJ.

The principal activity of the Company during the year continued to be that of a property management Company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

After reviewing the Company's projections, taking into account the effects of the global pandemic and lockdown measures, the directors have a reasonable expectation that the Company has adequate resources and support to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial information. Post year end the Company has traded profitably despite the impact of COVID-19 and has strengthened its cash position.

The Company's functional and presentational currency is British Pound Sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Rotherwood Group Limited, registration number 09519658, as at 31 March 2020 and these financial statements may be obtained from 11 Merus Court, Meridian Business Park, Leicester, LE19 1RJ.

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Leased assets: the Company as lessor

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each year.

2.5 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.7 Pensions****Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

ROTHERWOOD HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Motor vehicles	-	25% straight line
Fixtures and fittings	-	20% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.10 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.11 Investment property**

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at transaction price, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at transaction price, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.17 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.17 Financial instruments (continued)**

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

ii) Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of the debtors and historical experience.

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Rental income	100,002	92,500
	<u>100,002</u>	<u>92,500</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	100,002	92,500
	<u>100,002</u>	<u>92,500</u>

5. Other operating income

	2020 £	2019 £
Net rents receivable	24,286	27,299
Management charges	1,200,000	1,200,000
	<u>1,224,286</u>	<u>1,227,299</u>

6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
- depreciation - assets owned by the company	25,732	22,880
- depreciation - assets held under hire purchase agreements	10,766	6,347

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

7. Employees

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	243,284	170,951
Cost of defined contribution scheme	4,881	2,200
	<u>248,165</u>	<u>173,151</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Administrative	<u>9</u>	<u>8</u>

8. Directors' remuneration

During the year, no director received any emoluments.

9. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	388,653	341,207
Other loan interest payable	30	225
Finance leases and hire purchase contracts	646	269
	<u>389,329</u>	<u>341,701</u>

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

10. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	67,482	39,522
Total current tax	<u>67,482</u>	<u>39,522</u>
Deferred tax		
Origination and reversal of timing differences	36,318	-
Total deferred tax	<u>36,318</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>103,800</u>	<u>39,522</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	362,868	414,269
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	68,945	78,711
Effects of:		
Capital allowances for year in excess of depreciation	34,364	(10,957)
Other timing differences leading to an increase (decrease) in taxation	491	-
Group relief/utilisation of tax losses	-	(28,232)
Total tax charge for the year	<u>103,800</u>	<u>39,522</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2019	56,501	131,473	187,974
Additions	15,543	28,342	43,885
At 31 March 2020	<u>72,044</u>	<u>159,815</u>	<u>231,859</u>
Depreciation			
At 1 April 2019	7,559	59,258	66,817
Charge for the year on owned assets	4,060	21,672	25,732
Charge for the year on financed assets	10,766	-	10,766
At 31 March 2020	<u>22,385</u>	<u>80,930</u>	<u>103,315</u>
Net book value			
At 31 March 2020	<u>49,659</u>	<u>78,885</u>	<u>128,544</u>
At 31 March 2019	<u>48,942</u>	<u>72,215</u>	<u>121,157</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Motor vehicles	32,301	43,067
	<u>32,301</u>	<u>43,067</u>

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

12. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2019	1,160,161
At 31 March 2020	<u>1,160,161</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Rotherwood Healthcare (Lynhales Hall) Limited	Care to the elderly and mentally infirm	Ordinary	100%
Rotherwood Healthcare (Hampton Grange) Limited	Care to the elderly and mentally infirm	Ordinary	100%
Rotherwood Healthcare (Dorset House) Limited	Care to the elderly and mentally infirm	Ordinary	100%
Rotherwood Healthcare (St Georges Park) Limited	Care to the elderly and mentally infirm	Ordinary	100%
Rotherwood Healthcare (Elmhurst) Limited	Dormant	Ordinary	100%
Rotherwood Healthcare (Roden Hall) Ltd	Care to the elderly and mentally infirm	Ordinary	100%

The registered office of all of the above companies is 11 Merus Court, Meridian Business Park, Leicester, LE19 1RJ.

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13. Investment property

	Freehold investment property £
Valuation	
At 1 April 2019	17,830,000
Additions at cost	63,098
At 31 March 2020	17,893,098

The 2020 valuations were made by the directors, on an open market value for existing use basis.

14. Debtors

	2020 £	2019 £
Amounts owed by Group undertakings	885,576	599,178
Other debtors	1,874	100,539
Prepayments and accrued income	6,317	5,290
Tax recoverable	-	158,420
	893,767	863,427

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	494,954	471,859
Trade creditors	63,100	29,899
Amounts owed to Group undertakings	2,498,798	1,758,688
Corporation tax	105,345	69,862
Net obligations under hire purchase contracts	36,467	28,155
Other creditors	1,778,362	2,231,674
Accruals and deferred income	-	22,825
	<u>4,977,026</u>	<u>4,612,962</u>

Barclays Bank PLC holds a fixed charge and floating charge over all property and undertakings of the Company.

Net obligations under hire purchase contracts of £36,467 (2019 - £28,155) are secured against the assets of the Company.

16. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	10,495,059	11,013,090
Net obligations under hire purchase contracts	23,789	50,024
	<u>10,518,848</u>	<u>11,063,114</u>

Barclays Bank plc holds a fixed charge and floating charge over all property and undertakings of the Company.

Net obligations under hire purchase contracts of £23,789 (2019 - £50,024) are secured against the assets of the Company.

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

17. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	494,954	471,859
	<u>494,954</u>	<u>471,859</u>
Amounts falling due after one year		
Bank loans	10,495,059	11,013,090
	<u>10,495,059</u>	<u>11,013,090</u>
	<u>10,990,013</u>	<u>11,484,949</u>

18. Deferred taxation

	2020 £
At beginning of year	25,000
Charged to profit or loss	36,318
At end of year	<u>61,318</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	61,318	25,000
	<u>61,318</u>	<u>25,000</u>

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

19. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100 (2019 - 100) Ordinary shares of £1.00 each	100	100

Each ordinary share has equal voting and distribution rights, including repayment of capital in the event of winding up.

20. Reserves**Revaluation reserve**

The revaluation reserve represents the revaluation of the investment properties.

Profit and loss account

Includes all current year and prior year retained profits and losses. All amounts are distributable.

21. Transactions with directors

At the year end the Company owed the directors £1,755,395 (2019 - £1,958,551) in the form of a director's loan account. The loan is interest free and has no fixed repayment terms.

22. Related party transactions

During the year the Company purchased services amounting to £239,244 (2019 - £259,300) from other related parties. Amounts owed to other related parties at the year end totalled £34,910 (2019 - £17,650).

The wholly owned subsidiaries of the other members of the Group are exempt from the requirements of Financial Reporting Standard 102, section 33.1A to disclose transactions.

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Report Standard 102, section 33.

23. Controlling party

The parent preparing consolidated accounts for the smallest and largest Group of which the Company is a member is Rotherwood Group Limited. The registered office is 11 Merus Court, Meridian Business Park, Leicester, LE19 1RJ.