

ROTHERWOOD HEALTHCARE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2017



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 PERIOD ENDED 31 MARCH 2017

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 program 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.

Financial key performance indicators

Key performance indicators used by the Company are as follows:

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

Details of the key performance indicators are shown in the Statement of Comprehensive Income.

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


.....
J Fennell
Director

Date: 20/3/18

ROTHERWOOD HEALTHCARE LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2017

The directors present their report and the financial statements for the period ended 31 March 2017.

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 judgments 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;
- 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.

Results and dividends

The profit for the period, after taxation, amounted to £321,529 (2016 - £156,192).

Dividends amounting to £220,000 (2016 - £150,000) were paid in the year.

Directors

The directors who served during the period were:

R Claridge
J Fennell

ROTHERWOOD HEALTHCARE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017**

Future developments

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

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

There have been no significant events that affect the company since the year end.

Auditors

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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


.....
J Fenell
Director

Date: 20/3/18

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

ROTHERWOOD HEALTHCARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROTHERWOOD HEALTHCARE LIMITED

We have audited the financial statements of Rotherwood Healthcare Limited for the period ended 31 March 2017, 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 relevant financial reporting framework that has been applied in their preparation is applicable law and the 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'.

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 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its profit for the period 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.

Emphasis of matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 2.3 to the financial statements concerning the basis of accounting. The financial statements have been prepared on the going concern basis, notwithstanding that the Company breached bank borrowing covenants in the period after the year ended 31 March 2017, thereby indicating the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going

ROTHERWOOD HEALTHCARE LIMITED

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

concern. The financial statements do not include any adjustments that would result if the Company was unable to continue as a going concern.

Opinion on other matter 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 period for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our 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 and the Directors' Report.

Matters on which we are required to report by exception

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

- 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.



Alan Herbert FCA (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: 21 March 2018

ROTHERWOOD HEALTHCARE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2017**

	Note	11 months ended 31 March 2017 £	13 months ended 30 April 2016 £
Turnover	4	71,667	139,583
Cost of sales		(119,560)	(70,409)
Gross (loss)/profit		(47,893)	69,174
Administrative expenses		(39,542)	(86,594)
Other operating income	5	712,000	296,000
Operating profit	6	624,565	278,580
Income from shares in group undertakings		-	150,000
Interest payable and expenses	9	(244,140)	(271,693)
Profit before tax		380,425	156,887
Tax on profit	10	(58,896)	(695)
Profit for the financial period		321,529	156,192
Other comprehensive income for the period		-	-
Total comprehensive income for the period		321,529	156,192

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 9 to 23 form part of these financial statements.

ROTHERWOOD HEALTHCARE LIMITED
REGISTERED NUMBER:09521668

BALANCE SHEET
AS AT 31 MARCH 2017

	Note	31 March 2017 £	30 April 2016 £
Fixed assets			
Tangible assets	12	74,010	44,462
Investments	13	1,160,161	1,160,160
Investment property	14	14,183,647	13,941,394
		<u>15,417,818</u>	<u>15,146,016</u>
Current assets			
Debtors: amounts falling due within one year	15	298,549	296,374
Cash at bank and in hand		31,666	8,979
		<u>330,215</u>	<u>305,353</u>
Creditors: amounts falling due within one year	16	(15,615,212)	(3,731,026)
Net current liabilities		<u>(15,284,997)</u>	<u>(3,425,673)</u>
Total assets less current liabilities		<u>132,821</u>	<u>11,720,343</u>
Creditors: amounts falling due after more than one year	17	-	(11,714,051)
Provisions for liabilities			
Deferred tax		(25,000)	-
		<u>(25,000)</u>	<u>-</u>
Net assets		<u>107,821</u>	<u>6,292</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		107,721	6,192
		<u>107,821</u>	<u>6,292</u>

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

.....
J Fennell
 Director

Date:

20/3/18

The notes on pages 9 to 23 form part of these financial statements.

ROTHERWOOD HEALTHCARE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 May 2016	100	6,192	6,292
Comprehensive income for the period			
Profit for the period	-	321,529	321,529
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	321,529	321,529
Dividends: Equity capital	-	(220,000)	(220,000)
Total transactions with owners	-	(220,000)	(220,000)
At 31 March 2017	100	107,721	107,821

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 APRIL 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Comprehensive income for the period			
Profit for the period	-	156,192	156,192
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	156,192	156,192
Dividends: Equity capital	-	(150,000)	(150,000)
Shares issued during the period	100	-	100
Total transactions with owners	100	(150,000)	(149,900)
At 30 April 2016	100	6,192	6,292

The notes on pages 9 to 23 form part of these financial statements.

ROTHERWOOD HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017

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.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company's functional and presentation 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 judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Comparative figures

The comparative figures are for the extended 13 month period of trading to 30 April 2016. The current figures represent a shortened 11 month period of trading to 31 March 2017 to reflect accounting period end dates of fellow subsidiaries.

2.3 Going concern

In the year subsequent to the year being audited, the Company was in breach of its bank borrowing covenants. This situation arose due to a depression in trading profits on account of the turnaround of new acquisitions taking longer than expected and covenant compliance limits decreasing since inception. The directors have considered a period of twenty four months after the year end on which to base their assumption about the appropriateness of preparing the accounts on a going concern basis. A detailed cash flow has been prepared for this period and indicates an upward trend in trading. This is due in the main, on account of the trade of new acquisitions improving due to occupancy improving across the group.

The directors are of the opinion that the Company will refinance its current debt facility on the basis of the forecasts being realistic and achievable and that subsequent bank borrowing covenants stipulated by new finance are unlikely to be breached. The Company continues to be profitable and solvent and is profitable and solvent for the year ended 31 March 2017.

On the basis of the above explanations, the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result if the financial support were withdrawn.

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2017**

2. Accounting policies (continued)**2.4 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.

ROTHERWOOD HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

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

Depreciation is provided on the following basis:

Fixtures and fittings	-	20% reducing balance
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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.

2.6 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.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.8 Debtors

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

2.9 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.

ROTHERWOOD HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.10 Creditors

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

2.11 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.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.13 Financial instruments

The Company only enters into basic financial instruments 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 non-puttable 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

ROTHERWOOD HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.13 Financial instruments (continued)

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.

2.14 Borrowing costs

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

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.16 Current and deferred taxation

The tax expense for the period 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 PERIOD ENDED 31 MARCH 2017**

2. Accounting policies (continued)**2.17 Employee benefits**

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

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Company operates a number of defined contribution plans 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 when they are due. Amounts not paid are shown in accruals in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

3. Judgments 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) 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. See note 15 for the net carrying amount of the debtors and associated impairment provision.

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2017**

4. Turnover

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

	2017 £	2016 £
Rental income	71,667	139,583
	<u>71,667</u>	<u>139,583</u>

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	71,667	139,583
	<u>71,667</u>	<u>139,583</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2017 £	2016 £
Management charges	712,000	296,000
	<u>712,000</u>	<u>296,000</u>

6. Operating profit

During the year, no director received any emoluments.

7. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £4,500 (2016 - 4,500).

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2017**

8. Employees

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	119,560	70,409
	<u>119,560</u>	<u>70,409</u>

The average monthly number of employees, including directors, during the period was 5 (2016 - 4).

9. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	244,140	271,613
Other loan interest payable	-	80
	<u>244,140</u>	<u>271,693</u>

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2017**

10. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	33,896	695
	<u>33,896</u>	<u>695</u>
Total current tax	<u>33,896</u>	<u>695</u>
Deferred tax		
Origination and reversal of timing differences	25,000	-
Total deferred tax	<u>25,000</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>58,896</u>	<u>695</u>

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	380,425	156,887
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2016 - 20%)	76,085	31,377
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(18,109)	1,828
Capital allowances for period in excess of depreciation	920	(1,708)
Non-taxable income	-	(30,000)
Group relief	-	(802)
Total tax charge for the period	<u>58,896</u>	<u>695</u>

Factors that may affect future tax charges

From 1 April 2016, the main rate of corporation tax in the UK decreased to 19% and will decrease to 17% for the year beginning 1 April 2020.

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2017**

11. Dividends

	31 March 2017 £	30 April 2016 £
Ordinary shares	220,000	150,000
	220,000	150,000

12. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 1 May 2016	44,462
Additions	46,179
At 31 March 2017	90,641
Depreciation	
Charge for the period	16,631
At 31 March 2017	16,631
Net book value	
At 31 March 2017	74,010
At 30 April 2016	44,462

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2017**

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 May 2016	1,160,160
Additions	1
At 31 March 2017	<u>1,160,161</u>
Net book value	
At 31 March 2017	<u>1,160,161</u>
At 30 April 2016	<u>1,160,160</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

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

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2017**

13. Fixed asset investments (continued)

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

14. Investment property

	Freehold investment property £
Valuation	
At 1 May 2016	13,941,394
Additions at cost	242,253
At 31 March 2017	14,183,647

The valuations were made by JLL Limited in 2016, on an open market value for existing use basis.

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2017**

15. Debtors

	31 March 2017 £	30 April 2016 £
Amounts owed by group undertakings	290,332	296,374
Other debtors	8,004	-
Prepayments and accrued income	213	-
	<u>298,549</u>	<u>296,374</u>

16. Creditors: Amounts falling due within one year

	31 March 2017 £	30 April 2016 £
Bank loans	12,136,747	339,015
Trade creditors	34,556	23,090
Amounts owed to group undertakings	853,919	155,571
Corporation tax	33,896	695
Other creditors	2,512,781	3,185,264
Accruals and deferred income	43,313	27,391
	<u>15,615,212</u>	<u>3,731,026</u>

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

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

	31 March 2017 £	30 April 2016 £
Bank loans	-	11,714,051
	<u>-</u>	<u>11,714,051</u>

Secured loans

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

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2017**

18. Loans

Analysis of the maturity of loans is given below:

	31 March 2017 £	30 April 2016 £
Amounts falling due within one year		
Bank loans	12,136,747	339,015
	12,136,747	339,015
Amounts falling due 1-2 years		
Bank loans	-	459,503
	-	459,503
Amounts falling due 2-5 years		
Bank loans	-	11,254,548
	-	11,254,548
	12,136,747	12,053,066

19. Deferred taxation

	2017 £
Charged to profit or loss	25,000
At end of year	25,000

The deferred taxation balance is made up as follows:

	31 March 2017 £	30 April 2016 £
Accelerated capital allowances	25,000	-
	25,000	-

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2017**

20. Transactions with directors

At the period end the Company owed R Claridge £2,506,032 (2016 - £3,170,987) in the form of a director's loan account. The loan is interest free and has no fixed repayment terms.

At the period end the Company owed J Fennell £Nil (2016 - £9,863) in the form of a director's loan account. The loan is interest free and has no fixed repayment terms.

21. Related party transactions

The wholly owned subsidiaries of the other members of the group are exempt from the requirements of Financial Reporting Standard 102, section 1AC.35 to disclose transactions.

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Report Standard 102, section 1AC.35.

All transactions are considered to be at arms length.

22. Controlling party

The Company's ultimate parent undertaking is Rotherwood Group Limited.

The consolidated financial statements of Rotherwood Group Limited can be obtained from 11 Merus Court, Meridian Business Park, Leicester, LE19 1RJ.