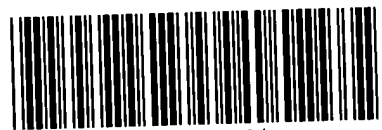


ROTHERWOOD HEALTHCARE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

SATURDAY



A46 *A7LC1J40* 22/12/2018 #44
COMPANIES HOUSE

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

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 3
Independent Auditors' Report	4 - 6
Statement of Comprehensive Income	7
Balance Sheet	8 - 9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 23

ROTHERWOOD HEALTHCARE LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

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.

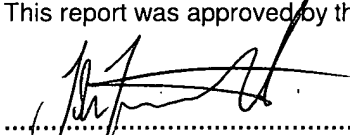
Financial key performance indicators

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 Kennell
Director

Date:

21/12/18

ROTHERWOOD HEALTHCARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

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 year, after taxation, amounted to £486,350 (2017 - £321,529).

Dividends amounting to £100,000 (2017 - £220,000) 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.

ROTHERWOOD HEALTHCARE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

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.

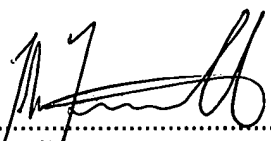
Post balance sheet events

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 Fennell
Director

Date:

21/12/18

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

ROTHERWOOD HEALTHCARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROTHERWOOD HEALTHCARE LIMITED

Opinion

We have audited the financial statements of Rotherwood Healthcare Limited (the 'Company') for the year ended 31 March 2018, 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 2018 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 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

ROTHERWOOD HEALTHCARE LIMITED

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

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 2, 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 SHAREHOLDERS 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, 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.



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 Dec 2018

ROTHERWOOD HEALTHCARE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	11 months ended 31 March 2017 £
Turnover	4	70,000	71,667
Cost of sales		(129,500)	(119,560)
Gross loss		(59,500)	(47,893)
Administrative expenses		(249,893)	(39,542)
Other operating income	5	1,066,000	712,000
Operating profit	6	756,607	624,565
Interest payable and expenses	8	(270,257)	(244,140)
Profit before tax		486,350	380,425
Tax on profit	9	-	(58,896)
Profit for the financial year		486,350	321,529

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017 - £NIL).

The notes on pages 11 to 23 form part of these financial statements.

ROTHERWOOD HEALTHCARE LIMITED
REGISTERED NUMBER:09521668

BALANCE SHEET
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	75,807	74,010
Investments	12	1,160,161	1,160,161
Investment property	13	14,304,375	14,183,647
		<u>15,540,343</u>	<u>15,417,818</u>
Current assets			
Debtors: amounts falling due within one year	14	1,092,479	298,549
Cash at bank and in hand		871	31,666
		<u>1,093,350</u>	<u>330,215</u>
Creditors: amounts falling due within one year	15	(16,114,522)	(15,615,212)
Net current liabilities		<u>(15,021,172)</u>	<u>(15,284,997)</u>
Total assets less current liabilities		<u>519,171</u>	<u>132,821</u>
Provisions for liabilities			
Deferred tax	16	(25,000)	(25,000)
		<u>(25,000)</u>	<u>(25,000)</u>
Net assets		<u><u>494,171</u></u>	<u><u>107,821</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		494,071	107,721
		<u><u>494,171</u></u>	<u><u>107,821</u></u>

ROTHERWOOD HEALTHCARE LIMITED
REGISTERED NUMBER:09521668

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2018

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


.....
J Fennell
Director

Date: 21/12/18 .

The notes on pages 11 to 23 form part of these financial statements.

ROTHERWOOD HEALTHCARE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2017	100	107,721	107,821
Comprehensive income for the year			
Profit for the year	-	486,350	486,350
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	486,350	486,350
Dividends: Equity capital	-	(100,000)	(100,000)
Total transactions with owners	-	(100,000)	(100,000)
At 31 March 2018	100	494,071	494,171

The notes on pages 11 to 23 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR 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

The notes on pages 11 to 23 form part of these financial statements.

ROTHERWOOD HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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.

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 judgment 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 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 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

The information is included in the consolidated financial statements of Rotherwood Group Limited, registration number 09519658, as at 31 March 2018 and these financial statements may be obtained from 11 Merus Court, Meridian Business Park, Leicester, LE19 1RJ.

2.3 Comparative figures

The comparative figures are for the shortened 11 month period of trading to 31 March 2017. The current figures represent a standard 12 month period of trading to 31 March 2018 to reflect accounting period end dates of fellow subsidiaries.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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.

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
-----------------------	---	----------------------

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 every three years 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

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 transaction price, 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.

2.10 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 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 the 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.10 Financial instruments (continued)

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.

2.11 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.

2.12 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.

2.13 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.

2.14 Borrowing costs

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.16 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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) 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 re-assessed 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. See note 16 for the net carrying amount of the debtors and associated impairment provision.

4. Turnover

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

	2018	11 months ended 31 March 2017
	£	£
Rental income	70,000	71,667
	70,000	71,667

Analysis of turnover by country of destination:

	2018	11 months ended 31 March 2017
	£	£
United Kingdom	70,000	71,667
	70,000	71,667

All turnover arose within the United Kingdom.

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. Other operating income

	2018	11 months ended 31 March 2017
	£	£
Management charges	1,066,000	712,000
	1,066,000	712,000

6. Operating profit

During the year, no director received any emoluments.

7. Employees

Staff costs were as follows:

	2018	11 months ended 31 March 2017
	£	£
Wages and salaries	129,500	119,560
	129,500	119,560

The average monthly number of employees, including directors, during the year was 3 (2017 - 5).

8. Interest payable and similar expenses

	2018	11 months ended 31 March 2017
	£	£
Bank interest payable	270,257	244,140
	270,257	244,140

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

9. Taxation

	2018 £	11 months ended 31 March 2017 £
Corporation tax		
Current tax on profits for the year	-	33,896
	-	33,896
Total current tax	-	33,896
Deferred tax		
Origination and reversal of timing differences	-	25,000
Total deferred tax	-	25,000
Taxation on profit on ordinary activities	-	58,896

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19%). The differences are explained below:

	2018 £	11 months ended 31 March 2017 £
Profit on ordinary activities before tax	486,350	380,425
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%)	92,407	76,085
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	(18,109)
Capital allowances for year/period in excess of depreciation	(20,556)	920
Utilisation of group tax losses	(71,851)	-
Total tax charge for the year/period	-	58,896

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 YEAR ENDED 31 MARCH 2018**

10. Dividends

	2018 £	11 months ended 31 March 2017 £
Ordinary shares	100,000	220,000
	<u>100,000</u>	<u>220,000</u>

11. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 1 April 2017	90,641
Additions	22,756
At 31 March 2018	<u>113,397</u>
Depreciation	
At 1 April 2017	16,631
Charge for the year	20,959
At 31 March 2018	<u>37,590</u>
Net book value	
At 31 March 2018	<u>75,807</u>
At 31 March 2017	<u>74,010</u>

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

12. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2017	1,160,161
At 31 March 2018	<u>1,160,161</u>
Net book value	
At 31 March 2018	<u>1,160,161</u>
At 31 March 2017	<u>1,160,161</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

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 2018**

13. Investment property

	Freehold investment property £
Valuation	
At 1 April 2017	14,183,647
Additions at cost	120,728
At 31 March 2018	14,304,375

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

14. Debtors

	2018 £	11 months ended 31 March 2017 £
Amounts owed by group undertakings	426,719	290,332
Other debtors	503,934	8,004
Prepayments and accrued income	2,329	213
Tax recoverable	159,497	-
	1,092,479	298,549

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

15. Creditors: Amounts falling due within one year

	2018 £	11 months ended 31 March 2017 £
Bank loans	12,000,000	12,136,747
Trade creditors	19,770	34,556
Amounts owed to group undertakings	1,269,138	853,919
Corporation tax	33,895	33,896
Other creditors	2,783,892	2,512,781
Accruals and deferred income	7,827	43,313
	<u>16,114,522</u>	<u>15,615,212</u>

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

16. Deferred taxation

	2018 £
At beginning of year	25,000
Charged to profit or loss	-
At end of year	<u>25,000</u>

The provision for deferred taxation is made up as follows:

	2018 £	11 months ended 31 March 2017 £
Accelerated capital allowances	25,000	25,000
	<u>25,000</u>	<u>25,000</u>

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

17. Transactions with directors

At the year end the Company owed a director £2,617,259 (2017 - £2,506,032) in the form of a director's loan account. The loan is interest free and has no fixed repayment terms.

At the year end a director owed the Company £490,761 (2017 - £Nil) in respect of his directors loan account. Interest free advances during the year amounted to £490,761 (2017 - £Nil) and repayments amounted to £Nil (2017 - £Nil). The maximum amount due to the Company during the year was £490,761 (2017 - £Nil).

18. Related party transactions

During the year the Company purchased services amounting to £204,993 (2017 - £Nil) from Activated Oxygen Limited, a company in which the directors are the parents of a director of the Company. There was an amount outstanding due from Rotherwood Healthcare Limited of £680 (2017 - £Nil) as at the year end.

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.

19. 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.