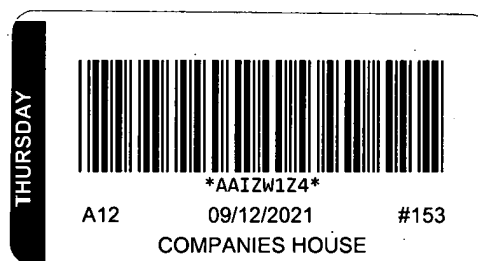


Registered number: 09521668

ROTHERWOOD HEALTHCARE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021



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 2021

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. 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, 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 £185 (0.2%) to £100,187 compared to £100,002 in 2020.

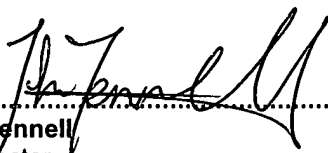
During the year gross loss has increased by £34,025 (23%) to (£182,188) compared to (£148,163) in 2020.

During the year net profit margin has increased by £27,758 (7.6%) to £390,626 compared to £362,868 in 2020.

ROTHERWOOD HEALTHCARE LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

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


.....
(J Fennell)
Director

Date: 9-11-2021

ROTHERWOOD HEALTHCARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Directors

The directors who served during the year were:

R Claridge
J Fennell

Results and dividends

The profit for the year, after taxation, amounted to £460,455 (2020 - £259,068).

Dividends amounting to £Nil (2020 - £Nil) were paid in the year.

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

Covid-19 has been noted as an ongoing 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.

ROTHERWOOD HEALTHCARE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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.

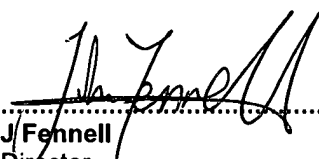
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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;
- 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.

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


.....
J. Fennell
Director

Date: 9-11-2021

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 2021, 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 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

ROTHERWOOD HEALTHCARE LIMITED

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 set out on page 4, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual, potential or suspected litigation, claims, non-compliance with applicable laws and regulations and fraud.
- Enquiry of entity staff in tax and compliance functions and external advisors to identify any instances of non-compliance with laws and regulations.
- Performing audit work over the risk of management override, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Reviewing of financial statements disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Discussing with engagement team in relation to how and where fraud might occur in the financial statements and any potential indicators of fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud other than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

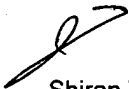
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

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.

ROTHERWOOD HEALTHCARE LIMITED

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



Shiran Wynter ACA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson

Statutory Auditors

Leicester
United Kingdom

Date: 09/4/21

ROTHERWOOD HEALTHCARE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Turnover	4	100,187	100,002
Cost of sales		(282,375)	(248,165)
Gross loss		(182,188)	(148,163)
Administrative expenses		(328,533)	(323,926)
Other operating income	5	1,218,398	1,224,286
Operating profit	6	707,677	752,197
Interest payable and similar expenses	9	(317,051)	(389,329)
Profit before tax		390,626	362,868
Tax on profit	10	69,829	(103,800)
Profit for the financial year		460,455	259,068

There were no recognised gains and losses for 2021 or 2020 other than those included in the Statement of Comprehensive Income.

There was no other comprehensive income for 2021 (2020 - £Nil).

The notes on pages 13 to 28 form part of these financial statements.

ROTHERWOOD HEALTHCARE LIMITED
REGISTERED NUMBER: 09521668

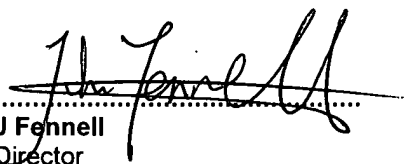
BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	128,128	128,544
Investments	12	1,160,161	1,160,161
Investment property	13	17,919,089	17,893,098
		<u>19,207,378</u>	<u>19,181,803</u>
Current assets			
Stocks		37,679	-
Debtors: amounts falling due within one year	14	1,748,960	893,767
Cash at bank and in hand	15	9,255	17,992
		<u>1,795,894</u>	<u>911,759</u>
Creditors: amounts falling due within one year	16	(5,964,018)	(4,977,026)
Net current liabilities		<u>(4,168,124)</u>	<u>(4,065,267)</u>
Total assets less current liabilities		<u>15,039,254</u>	<u>15,116,536</u>
Creditors: amounts falling due after more than one year	17	(9,974,095)	(10,518,848)
Provisions for liabilities			
Deferred tax	19	(68,334)	(61,318)
		<u>(68,334)</u>	<u>(61,318)</u>
Net assets		<u>4,996,825</u>	<u>4,536,370</u>
Capital and reserves			
Called up share capital	20	100	100
Revaluation reserve		3,408,384	3,408,384
Profit and loss account		1,588,341	1,127,886
		<u>4,996,825</u>	<u>4,536,370</u>

ROTHERWOOD HEALTHCARE LIMITED
REGISTERED NUMBER: 09521668

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

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


.....
J Fennell
Director

Date: 9-11-2021

The notes on pages 13 to 28 form part of these financial statements.

ROTHERWOOD HEALTHCARE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
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 1 April 2020	100	3,408,384	1,127,886	4,536,370
Comprehensive income for the year				
Profit for the year	-	-	460,455	460,455
Total comprehensive income for the year	-	-	460,455	460,455
At 31 March 2021	100	3,408,384	1,588,341	4,996,825

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 2021

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, 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.

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 2021 and these financial statements may be obtained from 11 Merus Court, Meridian Business Park, Leicester, LE19 1RJ.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 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.

2.6 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.

2.7 Borrowing costs

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.8 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 other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.9 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 2021

2. Accounting policies (continued)

2.10 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 the Statement of Comprehensive Income 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.

2.11 Investment property

Investment property is carried at fair value determined annually 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

2.14 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.

2.15 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.

2.16 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.

2.17 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.

2.18 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 transaction price, net of transaction costs, 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.18 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 assets

The Company makes an estimate of the recoverable value of assets. When assessing impairment of assets, 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 2021**

4. Turnover

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

	2021 £	2020 £
Rental income	100,187	100,002
	<u>100,187</u>	<u>100,002</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2021 £	2020 £
Net rents receivable	18,398	24,286
Fees receivable	1,200,000	1,200,000
	<u>1,218,398</u>	<u>1,224,286</u>

6. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation - assets owned by the Company	26,992	25,732
Depreciation - assets held under hire purchase agreements	10,766	10,766

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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7. Employees

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	276,935	243,284
Cost of defined contribution scheme	5,440	4,881
	<u>282,375</u>	<u>248,165</u>

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

	2021 No.	2020 No.
Administrative	<u>8</u>	<u>9</u>

8. Directors' remuneration

During the year, no director received any emoluments.

9. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	317,051	388,653
Other loan interest payable	-	30
Finance leases and hire purchase contracts	-	646
	<u>317,051</u>	<u>389,329</u>

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	28,500	67,482
Adjustments in respect of previous periods	(105,345)	-
Total current tax	(76,845)	67,482
Deferred tax		
Origination and reversal of timing differences	7,016	36,318
Total deferred tax	7,016	36,318
Taxation on (loss)/profit on ordinary activities	(69,829)	103,800

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	390,626	362,868
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	74,219	68,945
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	120	-
Capital allowances for year in excess of depreciation	(2,416)	34,364
Adjustments to tax charge in respect of prior periods	(105,345)	-
Other timing differences leading to an increase (decrease) in the tax charge	2,078	491
Group relief	(38,485)	-
Total tax charge for the year	(69,829)	103,800

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. Taxation (continued)**Factors that may affect future tax charges**

From 1 April 2023, the Corporation Tax main rate will increase to 25% for profits over £250,000. A small profits rate will also be introduced for profits of £50,000 or less, charging Corporation Tax at 19%. Profits between £50,000 and £250,000 will be taxed at the main rate reduced by a marginal relief providing a gradual increase in the effective Corporation Tax rate.

Under FRS 102 deferred tax must be measured using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date, and that are expected to apply to the reversal of the timing difference. The tax rates have been changed after the reporting date of 31 March 2021. For periods on or after 1 April 2023 the rates applicable to asset sales will be 25%. The impact on the deferred tax liability of the application of a tax rate of 25% rather than 19% is an increase in the deferred tax liability of £21,580.

11. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2020	72,044	159,815	231,859
Additions	4,656	32,686	37,342
At 31 March 2021	76,700	192,501	269,201
Depreciation			
At 1 April 2020	22,385	80,930	103,315
Charge for the year on owned assets	1,746	25,246	26,992
Charge for the year on financed assets	10,766	-	10,766
At 31 March 2021	34,897	106,176	141,073
Net book value			
At 31 March 2021	41,803	86,325	128,128
At 31 March 2020	49,659	78,885	128,544

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

11. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Motor vehicles	21,535	32,301
	<u>21,535</u>	<u>32,301</u>

12. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	1,160,161
At 31 March 2021	<u>1,160,161</u>

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. Fixed asset investments (continued)**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 (Waterside) 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.

13. Investment property

	Freehold investment property £
Valuation	
At 1 April 2020	17,893,098
Additions at cost	25,991
At 31 March 2021	17,919,089

The 2021 valuations were made by the directors, on an open market value for existing use basis.

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14. Debtors

	2021 £	2020 £
Trade debtors	44,348	-
Amounts owed by group undertakings	1,691,070	885,576
Other debtors	1,874	1,874
Prepayments and accrued income	11,668	6,317
	<u>1,748,960</u>	<u>893,767</u>

15. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	9,255	17,992
	<u>9,255</u>	<u>17,992</u>

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	516,557	494,954
Trade creditors	18,680	63,100
Amounts owed to Group undertakings	4,063,881	2,498,798
Corporation tax	28,500	105,345
Net obligations under hire purchase contracts	18,904	36,467
Other creditors	1,241,082	1,778,362
Accruals and deferred income	76,414	-
	<u>5,964,018</u>	<u>4,977,026</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 £18,904 (2020 - £36,467) are secured against the assets of the Company.

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	9,969,294	10,495,059
Net obligations under finance leases and hire purchase contracts	4,801	23,789
	<u>9,974,095</u>	<u>10,518,848</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 £4,801 (2020 - £23,789) are secured against the assets of the Company.

18. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	516,557	494,954
	<u>516,557</u>	<u>494,954</u>
Amounts falling due after one year		
Bank loans	9,969,294	10,495,059
	<u>9,969,294</u>	<u>10,495,059</u>
	<u>10,485,851</u>	<u>10,990,013</u>

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

19. Deferred taxation

	2021 £
At beginning of year	61,318
Charged to profit or loss	(7,016)
At end of year	68,334

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	68,334	61,318
	68,334	61,318

ROTHERWOOD HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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20. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

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

21. Transactions with directors

At the year end the Company owed the directors £1,203,110 (2020 - £1,755,395) 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 £208,800 (2020 - £239,244) from other related parties. Amounts owed to other related parties at the year end totalled £17,290 (2020 - £34,910).

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.