GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

FOR

ADL PLC

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2016

DIRECTORS:	Mr W J Davies Mrs P L Jackson Sir W H W Wells
SECRETARY:	Mr W J Davies
REGISTERED OFFICE:	Corbie Steps 89 Harehills Lane Leeds LS7 4HA
REGISTERED NUMBER:	02463465 (England and Wales)
AUDITORS:	Cox Costello & Horne Limited Chartered Accountants and Statutory Auditors Langwood House 63-81 High Street Rickmansworth Hertfordshire WD3 1EQ
BANKERS:	HSBC 41 Southgate Bath BA1 1TN
SOLICITORS:	Birketts LLP 16-18 Queen Street Norwich Norfolk NR2 4SQ

CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 MARCH 2016

Contrary to expectations your company increased its earnings to 10.70p per share during the financial year as a result of the acquisition of 5 additional homes and the one off benefit of the nurse supplement grant from the Department of Health. Occupancy has increased in the majority of our homes largely thanks to the considerable hard work and diligence of our staff. As a consequence your company managed to have a good year which was not the case for the care home industry generally.

However the current government is continuing to reduce the amount of funding for social care in order to continue to increase the amount paid to the acute healthcare sector. This continuing real reduction in the fees payable by social services coupled with the ever increasing burden of regulation means the outlook for the care industry is grim.

In light of this worrying future your company has decided that it must pursue a very prudent policy of not paying any dividends to shareholders for the foreseeable future and devoting any surplus cash to the gradual repayment of debt.

I appreciate that this means that shareholders will not receive any return on their investment which coupled with the fact that there is no market for the sale of shares means that they have a non performing investment which may not be saleable in the future.

As a consequence, your board has decided to make an offer of £1.35 per share, which will be available until the 1st January 2017. I hope that shareholders seriously consider accepting this offer because there is no guarantee that the board will have the resources available in the future. This offer is at a premium to previous offers. Even though the outstanding stakes are minority holdings and it would be quite in order for a discount to be applied because of the size of the holdings, no such discount has been applied. Your Board consider in the circumstances this to be a generous offer and recommend that you accept it in respect of the whole of your holdings. If you do not accept it whilst the offer remains open for acceptance, you may not be able to realise any value from your investment in the future. If you are in any doubt as to what to do or if you are minded not to accept th is offer, you are strongly urged to seek professional financial advice.

Finally I would like to thank all our staff and particular Pearl Jackson for their incredible hard work and skill which has enabled the company the beat the industry's trend.

Sir William Wells
Chairman

The directors present their strategic report of the company and the group for the year ended 31 March 2016.

REVIEW OF BUSINESS AND MANAGING DIRECTORS REPORT
Despite my pessimism 12 months ago, considering the strong headwinds, our company has made good progress.

The increase in earnings per share referred to by the Chairman is of course partially caused by the acquisition of five new homes as follows.

Woodlands of Woolley at Wakefield, a residential home purchased on the 19th October 2015.

Roxburgh House, Crompton Court and Pelham Grove, three residential homes in Liverpool purchased on the 22nd February 2016 and Castle Park, a nursing home in Derby, purchased on the same date.

We welcome these homes and staff and can confirm that we have commenced a detailed upgrading programme.

In order to purchase these homes we have increased our bank loan from HSBC by £4,040,000 on similar terms to our original loan.

Occupancy generally across both partnership and owned homes has continued to improve save for those partnership homes in Liverpool where there appears to be additional competition. These are a cause for concern.

It is still evident that funding for care is restricted despite continuing bed blocking in hospitals. The cost to the tax payer of care in hospitals is significantly higher and this problem needs to be overcome by the Department of Health/Government.

The regulatory burden increases our costs and takes considerable management time. I would like to thank Mrs Jackson and her team for all their hard work particularly in seeking full compliance with all Regulators.

In view of the continuing head winds experienced by the industry the Directors and major shareholders would like to make this effectively a private company thus cutting costs. We do not intend declaring dividends this year or in the foreseeable future, preferring to pay down debts.

As shares are generally not tradeable save for the company, you have in effect become tied in with no source of income and with the risk of not being able to sell your shares at a decent value or at all . The Board has therefore decided to make an offer for the outstanding shares at £1.35 per share. For the reasons set out in the Chairman's report, your Board recommend that you accept the offer.

On à personal note I would like to point out that when we took control of the company in 2004 the share price stood at £0.14. I would like to thank you for your support during the last 12 years.

PRINCIPAL RISKS AND UNCERTAINTIES
The principle risks and uncertainties of the business are as follows:

- The uncertainties in respect of the decisions of the Care Quality Commission.
- Exposure to new legislation and regulatory requirements
- The recruitment and retention of a skilled workforce
- The potential withdrawal of local authority approval/funding

The directors consider the following key performance indicators of the business to be the most important and monitor them on a regular basis.

- Occupancy rates
- Gross Margin
- Wage costs per bed
- Debtor turn
- Cash balances

GOING CONCERN

The Company and Group are expected to continue to generate positive cash flows for the foreseeable future and for not less than 12 months from the date of this report. On the basis of their assessment of the Group's financial position, the directors have a reasonable expectation that the Group will be able to continue in operational existence for the foreseeable future which is not less than 12 months from the date of approving these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

ON BEHALF OF THE BOARD:

....
Mr W J Davies - Managing director

Date: 30.09.2016

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2016.

DIVIDENDS
No dividends will be distributed for the year ended 31 March 2016.

FUTURE DEVELOPMENTS
The group will continue to consolidate the new homes which were acquired into the group during the last two years.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

Mr W J Davies Managing director
Mrs P L Jackson
Sir W H W Wells

FINANCIAL INSTRUMENTS
On 12th November 2015 ADL plc entered into a new loan agreement for 15 years for a maximum of £4.04 million with HSBC. The interest on this loan will be charged at 2% per annum over the Bank of England Base Rate as published from time to time.

On 26th April 2013 ADL plc, as part of a loan arrangement restructure, entered into a new loan agreement for 15 years for a maximum of £7 million with HSBC. The interest on this loan will be charged at 2% per annum over the Bank's Sterling Base Rate as published from time to time.

The risk management objectives and policies of the group and the exposure of the group to price risk, credit risk, liquidity risk and cash flow risk are contained in the notes to the consolidated financial statements.

SHARE CAPITAL
During 2016, the group bought back and cancelled 188,621 (2015: 525,378) ordinary shares of 5p each (representing 2% (2015: 5.3%) of the called up share capital) at a price of 100p per share (2015: 100p per share) for a total of £188,621 (2015: £525,378) with a nominal value of £9,431 (2015: £26,269). No shares were issued during the current and prior years.

EMPLOYEES
The group operates non-discriminatory employment policies which are designed to attract, retain and motivate the very best people, recognising that this can only be achieved through offering equal opportunities regardless of age, disability, gender, race, religion, colour, nationality, marital status and sexual orientation.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned.

In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and that appropriate facilities are available and training is arranged. It is the policy of the group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Staff are encouraged to plan their careers within the group and to participate in appropriate ongoing training, consistent with the needs of the business.

All care homes develop their own internal communications and employees receive regular updates on the group's strategies, policies and results.

The group has taken appropriate steps during the financial year to introduce, maintain, or develop arrangements aimed at consulting employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions that are likely to affect their interests.

Our success is due to the teamwork and co-operation of the people within the group. The directors thank all those who have worked so hard and contributed so much to achieve these results during a demanding time. The group continues to develop and maintain a culture which encourages long service and we are proud that so many employees choose to remain with us over many years.

DIRECTORS' LIABILITY INSURANCE
As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force. The company also purchased and maintained throughout the financial year, directors' and officers' liability insurance in respect of itself and its directors.

ADOPTION OF FRS 102
Following the publication by the Financial Reporting Council of Financial Reporting Standard 100 ("FRS 100"), the group has adopted FRS 102 as its accounting framework for the preparation of these financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS
The auditors, Cox Costello & Horne Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

....
Mr W J Davies - Managing director

Date: 30.09.2016

We have audited the financial statements of ADL PLC for the year ended 31 March 2016 on pages eight to forty-two. The financial reporting framework that has been applied in their preparation is 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'.

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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page six, 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 Auditing Practices Board'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 group's and the parent 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 Chairman's Report the Group Strategic Report and the Report of the Directors 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 group's and of the parent company's affairs as at 31 March 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

....
Michael F Cox BSc FCA (Senior Statutory Auditor)
for and on behalf of Cox Costello & Horne Limited
Chartered Accountants and Statutory Auditors
Langwood House
63-81 High Street
Rickmansworth
Hertfordshire
WD3 1EQ

Date: 30|9|16

ADL PLC (REGISTERED NUMBER: 02463465)

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	31.3.16 £	31.3.15 as restated £
TURNOVER			
Group and share of joint ventures		9,950,416	8,710,429
Less:			
Share of joint ventures' turnover		(273,173)	(243,559)
GROUP TURNOVER	4	9,677,243	8,466,870
Cost of sales		5,949,949	5,337,495
GROSS PROFIT		3,727,294	3,129,375
Administrative expenses		2,334,758	2,180,477
		1,392,536	948,898
Other operating income		110,262	75,191
OPERATING PROFIT	6	1,502,798	1,024,089
Interest payable and similar expenses	8	(159,903)	(164,038)
PROFIT BEFORE TAXATION		1,342,895	860,051
Tax on profit	9	345,467	287,994
PROFIT FOR THE FINANCIAL YEAR		997,428	572,057
OTHER COMPREHENSIVE INCOME			
Payments to acquire own shares		(188,621)	(525,378)
Cancellation of own shares		9,431	26,269
Tax effect on indexed property			
Income tax relating to components of other comprehensive income		843,424	96,037
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		664,234	(403,072)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			168,985
Prior year adjustment	12	(282,993)	
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT		1,378,669	
Profit attributable to:			
Owners of the parent		997,428	572,057
Total comprehensive income attributable to:			
Owners of the parent		1,378,669	168,985
Earnings per share expressed in pence per share:	11		
Basic		10.70	5.89
Diluted		10.70	5.89

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 MARCH 2016

		31.3.16		31.3.15 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	13		**283,045**		311,679
Tangible assets	14		**20,869,949**		18,040,516
Investments	15				
Interest in joint venture					
Share of gross assets			**82,275**		41,481
Share of gross liabilities			**(19,196)**		(15,157)
			63,079		26,324
Other investments			**1,425,000**		-
			22,641,073		18,378,519
CURRENT ASSETS					
Stocks	16	**16,000**		15,000	
Debtors: amounts falling due within one year	17	**1,837,031**		1,204,376	
Cash at bank and in hand		**916,485**		839,706	
		2,769,516		2,059,082	
CREDITORS					
Amounts falling due within one year	18	**2,517,661**		1,851,910	
NET CURRENT ASSETS			**251,855**		207,172
TOTAL ASSETS LESS CURRENT LIABILITIES			**22,892,928**		18,585,691
CREDITORS					
Amounts falling due after more than one year	19		**(9,213,783)**		(5,684,512)
PROVISIONS FOR LIABILITIES	23		**(838,442)**		(1,712,707)
NET ASSETS			**12,840,703**		11,188,472
CAPITAL AND RESERVES					
Called up share capital	24		**1,485,794**		1,495,225
Share premium	25		**3,712,396**		3,712,396
Revaluation reserve	25		**5,145,644**		4,302,220
Capital redemption reserve	25		**36,031**		26,600
Retained earnings	25		**2,460,838**		1,652,031
SHAREHOLDERS' FUNDS	28		**12,840,703**		11,188,472

The financial statements were approved by the Board of Directors on 30.09.2016 and were signed on its behalf by:

W.J. Davies

Mr W J Davies - Managing director

The notes form part of these financial statements

ADL PLC (REGISTERED NUMBER: 02463465)

COMPANY BALANCE SHEET
31 MARCH 2016

	Notes	31.3.16 £	31.3.16 £	31.3.15 as restated £	31.3.15 as restated £
FIXED ASSETS					
Intangible assets	13		-		-
Tangible assets	14		6,094,077		7,631,700
Investments	15		6,312,788		4,186,588
			12,406,865		11,818,288
CURRENT ASSETS					
Stocks	16	5,500		5,500	
Debtors: amounts falling due within one year	17	8,986,860		4,372,232	
Cash at bank and in hand		342,706		336,692	
		9,335,066		4,714,424	
CREDITORS					
Amounts falling due within one year	18	2,607,335		1,331,546	
NET CURRENT ASSETS			6,727,731		3,382,878
TOTAL ASSETS LESS CURRENT LIABILITIES			19,134,596		15,201,166
CREDITORS					
Amounts falling due after more than one year	19		(9,213,783)		(5,684,512)
PROVISIONS FOR LIABILITIES	23		(14,221)		-
NET ASSETS			9,906,592		9,516,654
CAPITAL AND RESERVES					
Called up share capital	24		1,485,794		1,495,225
Share premium	25		3,712,396		3,712,396
Revaluation reserve	25		2,974,816		3,007,568
Capital redemption reserve	25		36,031		26,600
Retained earnings	25		1,697,555		1,274,865
SHAREHOLDER FUNDS	28		9,906,592		9,516,654
Company's profit for the financial year			611,311		433,549

The financial statements were approved by the Board of Directors on 30.09.2016 and were signed on its behalf by:

W J Davies

Mr W J Davies - Managing director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 April 2014	1,521,494	1,605,352	3,712,396
Changes in equity			
Cancellation of own shares	(26,269)	-	-
Total comprehensive income	-	329,672	-
Balance at 31 March 2015	1,495,225	1,935,024	3,712,396
Prior year adjustment	-	(282,993)	-
As restated	1,495,225	1,652,031	3,712,396
Changes in equity			
Cancellation of own shares	(9,431)	-	-
Total comprehensive income	-	808,807	-
Balance at 31 March 2016	1,485,794	2,460,838	3,712,396

	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 April 2014	4,206,183	331	11,045,756
Changes in equity			
Cancellation of own shares	-	-	(26,269)
Total comprehensive income	96,037	26,269	451,978
Balance at 31 March 2015	4,302,220	26,600	11,471,465
Prior year adjustment	-	-	(282,993)
As restated	4,302,220	26,600	11,188,472
Changes in equity			
Cancellation of own shares	-	-	(9,431)
Total comprehensive income	843,424	9,431	1,661,662
Balance at 31 March 2016	5,145,644	36,031	12,840,703

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 April 2014	1,521,494	1,366,694	3,712,396
Changes in equity			
Cancellation of own shares	(26,269)	-	-
Total comprehensive income	-	25,259	-
Balance at 31 March 2015	1,495,225	1,391,953	3,712,396
Prior year adjustment	-	(117,088)	-
As restated	1,495,225	1,274,865	3,712,396
Changes in equity			
Cancellation of own shares	(9,431)	-	-
Total comprehensive income	-	422,690	-
Balance at 31 March 2016	1,485,794	1,697,555	3,712,396

	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 April 2014	3,037,603	331	9,638,518
Changes in equity			
Cancellation of own shares	-	-	(26,269)
Total comprehensive income	(30,035)	26,269	21,493
Balance at 31 March 2015	3,007,568	26,600	9,633,742
Prior year adjustment	-	-	(117,088)
As restated	3,007,568	26,600	9,516,654
Changes in equity			
Cancellation of own shares	-	-	(9,431)
Total comprehensive income	(32,752)	9,431	399,369
Balance at 31 March 2016	2,974,816	36,031	9,906,592

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	31.3.16 £	31.3.15 as restated £
Cash flows from operating activities			
Cash generated from operations	1	**1,860,414**	1,491,303
Interest paid		**(159,903)**	(164,038)
Tax paid		**(244,131)**	(247,166)
Net cash from operating activities		**1,456,380**	1,080,099
Cash flows from investing activities			
Purchase of tangible fixed assets		**(4,201,404)**	(262,346)
Purchase of subsidiary (net of cash acquired)		**(673,217)**	-
Joint venture share of assets		**(36,755)**	(26,327)
Joint venture share of profits		**106,922**	75,191
Net cash from investing activities		**(4,804,454)**	(213,482)
Cash flows from financing activities			
New loans in year		**4,040,000**	-
Loan repayments in year		**(426,526)**	(399,125)
Amount repaid to directors		**-**	(66,000)
Share buyback		**(188,621)**	(525,378)
Net cash from financing activities		**3,424,853**	(990,503)
Increase/(decrease) in cash and cash equivalents		**76,779**	(123,886)
Cash and cash equivalents at beginning of year	2	**839,706**	963,592
Cash and cash equivalents at end of year	2	**916,485**	839,706

The notes form part of these financial statements

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.3.16	31.3.15 as restated
	£	£
Profit before taxation	**1,342,895**	860,051
Depreciation charges	**648,822**	526,573
Joint venture share of profits	**(106,922)**	(75,191)
Finance costs	**159,903**	164,038
	2,044,698	1,475,471
Increase in stocks	**(1,000)**	(7,000)
Increase in trade and other debtors	**(626,490)**	(34,316)
Increase in trade and other creditors	**443,206**	57,148
Cash generated from operations	**1,860,414**	1,491,303

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2016

	31.3.16	1.4.15
	£	£
Cash and cash equivalents	**916,485**	**839,706**

Year ended 31 March 2015

	31.3.15 as restated	1.4.14
	£	£
Cash and cash equivalents	839,706	963,592

1. GENERAL INFORMATION

ADL plc is a public unlisted company limited by shares and is incorporated in England. The registered office is Corbie Steps, 89 Harehills Lane, Leeds, LS7 4HA.

The nature of the group's operations and its principal activities are set out in the strategic report.

2. STATEMENT OF COMPLIANCE

The group and individual financial statements of ADL plc have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of accounting
The principal accounting policies applied in the preparation of these consolidated and individual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The functional currency of ADL plc is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The consolidated financial statements are also presented in pounds sterling.

The group transitioned from EU endorsed International Financial Reporting Standards (IFRS) to FRS 102 as at 1st April 2014. An explanation of how the transition to FRS 102 has affected the reported financial position and financial performance is given in the notes. The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year.

The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006. The principal accounting policies, which have been applied consistently to all periods, are set out below.

Going concern
The group is expected to continue to generate positive cash flows for the foreseeable future and for not less than 12 months from the date of this report. On the basis of their assessment of the group's and company's financial position, the directors have a reasonable expectation that the group and company will be able to continue in operational existence for the foreseeable future which is not less than 12 months from the date of approving these consolidated financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Exemptions for qualifying entities under FRS 102
FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company shareholders.

The company has taken advantage of the following exemptions:
(a) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company cash flows;
(b) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A as the information is provided in the consolidated financial statements disclosures;
(c) from disclosing transactions with other wholly owned group companies as stated in paragraph 33.1A of FRS 102: Related party disclosures.

continued...

3. **ACCOUNTING POLICIES- continued**

Basis of consolidation
The consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings up to 31 March.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where a subsidiary has different accounting policies to the group, adjustments are made to those subsidiary financial statements to apply the group's accounting policies when preparing the consolidated financial statements.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

No profit and loss account is presented for ADL plc as permitted by Section 408 of the Companies Act 2006.

Company investments
Investment in a subsidiary is held at cost less accumulated impairment losses.

Borrowing costs are recognised in profit and loss in the period in which they are incurred.

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

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

(a) Critical judgements in applying the group's accounting policies
The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(b) Useful economic life of goodwill
The group's consolidated balance sheet includes goodwill, representing the excess of the cost of investments in subsidiary undertakings over the fair value of the underlying net assets at their date of acquisition. As part of the transition to Financial Reporting Standard 102, the directors were required to make a judgement to the useful economic life of the goodwill, which was determined to be between 3 to 10 years.

(c) Key source of estimation uncertainty
(c - i) Impairment of goodwill
Determining whether the carrying values of the group's goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. At the balance sheet date, the directors are satisfied that no further provision was necessary against the carrying amount of goodwill at the balance sheet.

continued...

3. **ACCOUNTING POLICIES - continued**

Risk management
(a) Financial risk
The group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department to limit the adverse effects of such finance risks by monitoring levels of debt and related finance costs.

(a - i) Market risk
The group has no exposure to equity securities price risk, as it has no listed equity investments. The group has both interest-bearing assets and liabilities. Interest-bearing assets include only cash balances, all of which earn interest at a variable rate. The group has a policy of maintaining debt at a fixed or capped rate to ensure certainty of future interest cash flows. Thus the group is only exposed to fair value interest rate risk, which is not expected to have a significant impact on profit or loss or equity.

(a - ii) Credit risk
Credit risk arises from cash and cash equivalents as well as exposure to customers including outstanding debtors.

(a - iii) Liquidity risk
The group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure that the group has sufficient available funds for operations and planned expansions.

(b) Capital risk
The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Turnover
Turnover comprises the invoiced value of goods and services supplied by the group excluding trade discounts.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. The specific methods used to recognise the different forms of revenue earned by the group are set out below:
- sale of goods: turnover and profit from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be reliably measured; and
- rendering of services: turnover and profit from the provision of services is recognised as the contract activity progresses to reflect the performance of the underlying contractual obligations.

continued...

3. ACCOUNTING POLICIES - continued

Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Residential freehold properties	- 50 years
Residential leasehold buildings	- over lease term
Plant and machinery	- 4 years
Fixtures and fittings	- 4 years
Office equipment	- 3 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Impairment of assets
The group assesses at each reporting date whether an asset may be impaired. If any such indication exists the group estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the group estimates, the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in profit and loss unless the asset is carried at a revalued amount where the impairment loss of a revalued asset is a revaluation decrease.

An impairment loss recognised for all assets, including goodwill, is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

Stocks
Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale - purchase cost on a first-in, first-out basis.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Deferred tax
Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Leasing commitments
Rentals payable under operating leases are recognised as an expense on a straight line basis over the lease term.

Pension costs and other post-retirement benefits
The group operates, for the benefit of its employees, a defined contribution scheme. The scheme is funded by the payment of contributions to trustee administered funds which are kept entirely separate from the assets of the group. The group does not operate any defined benefit retirement arrangements.

continued...

3. **ACCOUNTING POLICIES - continued**

Financial instruments
The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(a) Financial assets
Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(b) Financial liabilities
Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including foreign currency swaps and forward foreign exchange contracts, are not basic financial instruments. The group has no such financial instruments.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(c) Offsetting
Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

continued...

3. **ACCOUNTING POLICIES - continued**

Provisions
A provision is recognised in the balance sheet when the group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate, that reflects current market assessments of the time value of money, and, when appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised in finance costs.

Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Exceptional items
Items which are both material and non-recurring are presented as exceptional items within their relevant profit and loss account category. The separate reporting of exceptional items helps provide additional useful information regarding the group's underlying business performance.

Classification of shares as debt or equity
All categories of shares are classified as equity. Incremental costs directly attributable to the issue of new shares would be shown in a share premium account as a deduction from the proceeds.

Post balance sheet events
The financial statements take into consideration events occurring between the year end date and the date of their approval by the board of directors, as indicated on the balance sheet. In accordance with FRS 102, equity dividends on ordinary share capital are recognised as a liability in the period in which they are declared.

4. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	31.3.16	31.3.15 as restated
	£	£
United Kingdom	**9,677,243**	8,466,870
	9,677,243	8,466,870

The directors have elected not to show an analysis of turnover by class of business as, in their opinion, it would be prejudicial to the interests of the group.

5. **EMPLOYEES AND DIRECTORS**

	31.3.16	31.3.15 as restated
	£	£
Wages and salaries	**5,384,679**	4,876,742
Social security costs	**319,591**	297,449
	5,704,270	5,174,191

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

	31.3.16	31.3.15 as restated
Engaged in the provision of care	**444**	265
Catering, domestic and maintenance	**147**	88
Management and administration	**27**	16
	618	369

continued...

5. EMPLOYEES AND DIRECTORS - continued

The average number of employees by undertakings that are proportionately consolidated during the year was 618.

	31.3.16	31.3.15 as restated
	£	£
Directors' remuneration	225,000	225,000
Directors' retirement benefits	195,000	195,000

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	2	2

Information regarding the highest paid director is as follows:

	31.3.16	31.3.15 as restated
	£	£
Emoluments etc	97,500	97,500
Retirement benefits	97,500	97,500

Key management
The compensation paid or payable to key management has been included in the above schedule for directors.

6. OPERATING PROFIT

The operating profit is stated after charging:

	31.3.16	31.3.15 as restated
	£	£
Operating leases - property	12,200	12,000
Depreciation - owned assets	620,188	497,939
Goodwill amortisation	28,634	28,634
Auditors' remuneration	48,750	46,500
Auditors' remuneration for non audit work	27,000	20,500

7. EXCEPTIONAL ITEMS

	31.3.16	31.3.15 as restated
	£	£
Exceptional items	-	(14,410)

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.16	31.3.15 as restated
	£	£
Bank interest	-	2,944
Bank loan interest	159,903	161,094
	159,903	164,038

continued...

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.3.16	31.3.15 as restated
	£	£
Current tax:		
UK corporation tax	340,048	226,902
Deferred tax	5,419	61,092
Tax on profit	345,467	287,994

UK corporation tax has been charged at 20%.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.16	31.3.15 as restated
	£	£
Profit before tax	1,342,895	860,051
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 21%)	268,579	180,611
Effects of:		
Expenses not deductible for tax purposes	14,994	5,547
Depreciation in excess of capital allowances	3,460	42,608
Utilisation of tax losses	(13,989)	-
Tax effect on indexed property	70,374	59,428
Tax losses carried forward	2,049	-
Marginal relief	-	(200)
Total tax charge	345,467	287,994

Tax effects relating to effects of other comprehensive income

	31.3.16 Gross	31.3.16 Tax	31.3.16 Net
	£	£	£
Payments to acquire own shares	(188,621)	-	(188,621)
Cancellation of own shares	9,431	-	9,431
Tax effect on indexed property	-	843,424	843,424
	(179,190)	843,424	664,234

	31.3.15 Gross	31.3.15 Tax	31.3.15 Net
	£	£	£
Payments to acquire own shares	(525,378)	-	(525,378)
Cancellation of own shares	26,269	-	26,269
Tax effect on indexed property	-	96,037	96,037
	(499,109)	96,037	(403,072)

continued...

9. TAXATION - continued

Factors that may affect future tax charges
Tax rate changes
The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, UK profits for this accounting year are taxed at an effective rate of 20%.

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015.

Deferred tax
Deferred tax assets are recognised for tax loss carry forwards to the extent that the realisation of the related tax benefit through future profits is probable. Unrecognised capital tax loss carry forwards amounted to £3,138,812 (2015: £3,138,812).

10. INDIVIDUAL PROFIT AND LOSS ACCOUNT

As permitted by Section 408 of the Companies Act 2006, the Profit and loss account of the parent company is not presented as part of these financial statements.

11. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the basic earnings for the year by the average number of ordinary shares in issue during the year.

Diluted earnings per share are calculated in the same way as currently as there is no irrevocable commitment to issue shares in the future.

	Earnings £	**31.3.16 Weighted average number of shares**	**Per-share amount pence**
Basic EPS			
Earnings attributable to ordinary shareholders	**997,428**	**9,322,266**	**10.70**
Effect of dilutive securities	**-**	**-**	**-**
Diluted EPS			
Adjusted earnings	**997,428**	**9,322,266**	**10.70**

	Earnings £	31.3.15 as restated Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	572,057	9,706,636	5.89
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	572,057	9,706,636	5.89

12. PRIOR YEAR ADJUSTMENT

Depreciation has been calculated on freehold property as required by the company's accounting policy. No additional liability to tax arose as a consequence. See reconciliation of equity and profit for impact on accounts.

continued...

13. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 April 2015 and 31 March 2016	419,245
AMORTISATION	
At 1 April 2015	107,566
Amortisation for year	28,634
At 31 March 2016	136,200
NET BOOK VALUE	
At 31 March 2016	283,045
At 31 March 2015	311,679

The directors believe that the carrying value of the goodwill is supported by their underlying carrying values.

Amortisation of £28,634 (2015: £28,634) is included in the administrative expenses in the profit and loss account.

Impairment tests for goodwill
Goodwill is allocated to the group's cash-generating units (CGUs) identified according to operating segment.
The recoverable amount of a CGU is determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five year period. Cash flows beyond the five year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long term average growth rate for the whole business in which the CGU operates.

The key assumptions used for value in use calculations are as follows:
UK
Discount rate 12%
Growth rate 3%

These assumptions have been used for the analysis of each CGU within the operating segment. The growth rate used is consistent with its forecasts and expectations of annual fee increases.

All intangible assets held in the group have been pledged as security against bank loans.

continued...

14. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short leasehold £	Plant and machinery £
COST			
At 1 April 2015	15,714,885	2,243,500	-
Additions	4,621,085	-	1,876
Reclassification/transfer	-	(1,425,000)	-
At 31 March 2016	20,335,970	818,500	1,876
DEPRECIATION			
At 1 April 2015	271,003	210,038	-
Charge for year	317,200	34,670	1,876
At 31 March 2016	588,203	244,708	1,876
NET BOOK VALUE			
At 31 March 2016	19,747,767	573,792	-
At 31 March 2015	15,443,882	2,033,462	-

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2015	886,845	21,375	18,866,605
Additions	249,435	2,225	4,874,621
Reclassification/transfer	-	-	(1,425,000)
At 31 March 2016	1,136,280	23,600	22,316,226
DEPRECIATION			
At 1 April 2015	323,673	21,375	826,089
Charge for year	264,217	2,225	620,188
At 31 March 2016	587,890	23,600	1,446,277
NET BOOK VALUE			
At 31 March 2016	548,390	-	20,869,949
At 31 March 2015	563,172	-	18,040,516

Included in cost of land and buildings is freehold land of £6,692,500 (2015 - £4,570,000) which is not depreciated.

All freehold property held in the group have been pledged as security against bank loans.

continued...

14. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Short leasehold £	Fixtures and fittings £	Totals £
COST				
At 1 April 2015	6,227,001	1,425,000	179,862	7,831,863
Additions	-	-	71,503	71,503
Reclassification/transfer	-	(1,425,000)	-	(1,425,000)
At 31 March 2016	6,227,001	-	251,365	6,478,366
DEPRECIATION				
At 1 April 2015	117,088	-	83,075	200,163
Charge for year	117,088	-	67,038	184,126
At 31 March 2016	234,176	-	150,113	384,289
NET BOOK VALUE				
At 31 March 2016	5,992,825	-	101,252	6,094,077
At 31 March 2015	6,109,913	1,425,000	96,787	7,631,700

15. FIXED ASSET INVESTMENTS

Group

	Interest in joint venture £	Unlisted investments £	Totals £
COST			
At 1 April 2015	26,324	-	26,324
Share of profits	106,922	-	106,922
Share of profits remitted	(72,000)	-	(72,000)
Reclassification/transfer	1,833	1,425,000	1,426,833
At 31 March 2016	63,079	1,425,000	1,488,079
NET BOOK VALUE			
At 31 March 2016	63,079	1,425,000	1,488,079
At 31 March 2015	26,324	-	26,324

continued...

Group

Interest in joint venture

The group's aggregate share of joint ventures at the year end is as follows:

	31.3.16	31.3.15 as restated
	£	£
Profit before tax	**106,922**	75,698
Taxation	**-**	-
Profit after tax	**106,922**	75,698
Share of assets		
Fixed assets	**-**	-
Current assets	**82,275**	41,481
Share of liabilities		
Share of liabilities due within one year	**(19,196)**	(15,157)
Share of liabilities due after one year or more	**-**	-
Share of net assets	**63,079**	26,324

South Garth Residential Care Home
The group's share of South Garth Residential Care Home is as follows:

	31.3.16	31.3.15 as restated
	£	£
Turnover	**273,173**	243,559
Profit before tax	**106,922**	75,698
Taxation	**-**	-
Profit after tax	**106,922**	75,698
Share of assets		
Fixed assets	**-**	-
Current assets	**82,275**	41,481
Share of liabilities		
Liabilities due within one year	**(19,196)**	(15,157)
Liabilities due after one year or more	**-**	-
Share of net assets	**63,079**	26,324

continued...

15. FIXED ASSET INVESTMENTS - continued

Company

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1 April 2015	4,818,583	-	4,818,583
Additions	701,200	-	701,200
Reclassification/transfer	-	1,425,000	1,425,000
At 31 March 2016	5,519,783	1,425,000	6,944,783
PROVISIONS			
At 1 April 2015 and 31 March 2016	631,995	-	631,995
NET BOOK VALUE			
At 31 March 2016	4,887,788	1,425,000	6,312,788
At 31 March 2015	4,186,588	-	4,186,588

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Woodland Healthcare Limited
Registered office: Corbie Steps, 89 Harehills Lane, Leeds, LS7 4HA
Nature of business: Nursing homes

Class of shares:	% holding
Ordinary	100.00

	31.3.16 £	31.3.15 £
Aggregate capital and reserves	2,038,519	2,038,809
Profit for the year	148,926	91,140

Solutions (Yorkshire) Limited
Registered office: Corbie Steps, 89 Harehills Lane, Leeds, LS7 4HA
Nature of business: Nursing homes

Class of shares:	% holding
Ordinary	100.00

	31.3.16 £	31.3.15 £
Aggregate capital and reserves	1,918,330	2,240,783
Profit for the year	22,202	101,647

ADL Leased Homes Limited
Registered office: Corbie Steps, 89 Harehills Lane, Leeds, LS7 4HA
Nature of business: Nursing homes

Class of shares:	% holding
Ordinary A	100.00
Ordinary B	100.00

	31.3.16 £	31.3.15 £
Aggregate capital and reserves	841,302	916,391
Profit for the year	45,406	112,947

continued...

15. **FIXED ASSET INVESTMENTS - continued**

The Knoll Nursing Home Limited
Registered office: Corbie Steps, 89 Harehills Lane, Leeds, LS7 4HA
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

	31.3.16 £	31.3.15 £
Aggregate capital and reserves	1,000	1,000

Woodland Nursing Homes Limited
Registered office: Corbie Steps, 89 Harehills Lane, Leeds, LS7 4HA
Nature of business: Nursing home

Class of shares:	% holding
Ordinary	100.00

	31.3.16 £	31.3.15 £
Aggregate capital and reserves	832,811	903,165
Profit/(loss) for the year	44,636	(101,101)

Sunnymede Limited
Registered office: Corbie Steps, 89 Harehills Lane, Leeds, LS7 4HA
Nature of business: Nursing home

Class of shares:	% holding
Ordinary	100.00

	31.3.16 £	31.3.15 £
Aggregate capital and reserves	1,055,206	1,130,702
Profit for the year	116,793	96,006

Heart Care Home Consultancy Limited
Registered office: Corbie Steps, 89 Harehills Lane, Leeds, LS7 4HA
Nature of business: Care home consultancy

Class of shares:	% holding
Ordinary	100.00

	31.3.16 £	31.3.15 £
Aggregate capital and reserves	85,920	86,154
(Loss)/profit for the year	(234)	32,400

ADL Derby Limited
Registered office: Corbie Steps, 89 Harehills Lane, Leeds, LS7 4HA
Nature of business: Nursing home

Class of shares:	% holding
Ordinary	100.00

	31.3.16 £
Aggregate capital and reserves	2,048
Profit for the year	1,948

continued...

15. **FIXED ASSET INVESTMENTS - continued**

ADL Liverpool Limited
Registered office: Corbie Steps, 89 Harehills Lane, Leeds, LS7 4HA
Nature of business: Nursing homes

Class of shares:	% holding
Ordinary	100.00

	31.3.16
	£
Aggregate capital and reserves	32,346
Profit for the year	32,246

Woodlands Of Woolley Limited
Registered office: Corbie Steps, 89 Harehills Lane, Leeds, LS7 4HA
Nature of business: Nursing home

Class of shares:	% holding
Ordinary	100.00

	31.3.16
	£
Aggregate capital and reserves	705,422
Profit for the year	26,927

Joint venture

South Garth Residential Care Home
Registered office: Corbie Steps, 89 Harehills Lane, Leeds, LS7 4HA
Nature of business: Nursing home

Class of shares:	% holding
Unincorporated partnership	50.00

	31.3.16	31.3.15
	£	£
Aggregate capital and reserves	122,608	52,766
Profit for the year	213,844	150,382

The directors believe that the carrying value of the investments is supported by their underlying net assets.

All investments held in the group have been pledged as security against bank loans.

16. **STOCKS**

	Group		Company	
	31.3.16	31.3.15 as restated	31.3.16	31.3.15 as restated
	£	£	£	£
Stocks	16,000	15,000	5,500	5,500

continued...

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.16	31.3.15 as restated	**31.3.16**	31.3.15 as restated
	£	£	**£**	£
Trade debtors	**884,876**	499,296	**174,588**	86,634
Amounts owed by group undertakings	**-**	-	**7,982,281**	3,746,971
Other debtors	**538,715**	306,501	**486,322**	169,488
Tax	**1,965**	-	**-**	-
Deferred tax asset	**338,628**	334,428	**309,303**	334,428
Prepayments and accrued income	**72,847**	64,151	**34,366**	34,711
	1,837,031	1,204,376	**8,986,860**	4,372,232

Amounts owed by group undertakings are unsecured, interest-free and repayable on demand.

Trade debtors are stated after provisions for impairment of £90,578 (2015: £nil).

All debtors held in the group have been pledged as security against bank loans.

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.16	31.3.15 as restated	**31.3.16**	31.3.15 as restated
	£	£	**£**	£
Bank loans (see note 20)	**644,423**	560,220	**644,423**	560,220
Trade creditors	**239,885**	150,183	**63,882**	59,446
Amounts owed to group undertakings	**-**	-	**1,325,815**	368,860
Tax	**309,333**	170,991	**141,800**	55,478
Social security and other taxes	**180,774**	158,761	**72,446**	74,331
Other creditors	**996,187**	694,935	**272,605**	145,943
Accruals and deferred income	**147,059**	116,820	**86,364**	67,268
	2,517,661	1,851,910	**2,607,335**	1,331,546

Amounts owed to group undertakings are unsecured, interest-free and repayable on demand.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	31.3.16	31.3.15 as restated	**31.3.16**	31.3.15 as restated
	£	£	**£**	£
Bank loans (see note 20)	**9,213,783**	5,684,512	**9,213,783**	5,684,512

20. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.3.16	31.3.15 as restated	**31.3.16**	31.3.15 as restated
	£	£	**£**	£
Amounts falling due within one year or on demand:				
Bank loans	**644,423**	560,220	**644,423**	560,220
Amounts falling due between one and two years:				
Bank loans - 1-2 years	**662,816**	560,220	**662,816**	560,220
Amounts falling due between two and five years:				
Bank loans - 2-5 years	**2,098,812**	1,680,660	**2,098,812**	1,680,660
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	**6,452,155**	3,443,632	**6,452,155**	3,443,632

21. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	31.3.16	31.3.15 as restated	**31.3.16**	31.3.15 as restated
	£	£	**£**	£
Bank loans	**9,858,206**	6,244,732	**9,858,206**	6,244,732

The group's debt facilities comprise:
- a loan facility of £4,040,000 repayable in monthly instalments over a fifteen year term. These instalments are £26,208. This facility carries interest at 2.0% over the Bank of England Base Rate.
-
- a loan facility of £7,000,000 repayable in monthly instalments over a fifteen year term. These instalments are £46,685. This facility carries interest at 2.0% over the Banks' Sterling Base Rate.

The group is required to fulfil certain covenant conditions in relation to the cash flows available to cover debt servicing obligations and the valuation of freehold and leasehold properties.

All bank loans are secured by a legal charge over the freehold property owned by the group. A fixed and floating charge in favour of the bank is held over all assets, present and future.

continued...

22. FINANCIAL INSTRUMENTS

Group

The group has the following basic financial instruments:

	31.03.16	31.3.15 as restated
	£	£
Financial assets that are debt instruments measured at amortised cost		
- Trade debtors	884,876	499,296
- Other debtors	538,715	306,501
	1,423,591	805,797
Financial liabilities measured at amortised cost		
- Bank loans	9,858,206	6,244,732
- Trade creditors	239,884	150,183
- Other creditors	996,187	694,935
- Accruals	147,059	116,820
	11,241,336	7,206,670

23. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.3.16	31.3.15 as restated	31.3.16	31.3.15 as restated
	£	£	£	£
Deferred tax	838,442	1,712,707	14,221	-

Group

	Deferred tax £
Balance at 1 April 2015	
As previously reported	945,175
Prior year adjustment	767,532
As restated	1,712,707
Accelerated capital allowances	1,959
Tax effect on indexed property	(876,224)
Balance at 31 March 2016	838,442

Company

	Deferred tax £
Accelerated capital allowances	14,221
Balance at 31 March 2016	14,221

continued...

24. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.16 £	31.3.15 as restated £
9,165,082	Ordinary	0.05	**458,264**	467,695
20,550,794	Deferred	0.05	**1,027,530**	1,027,530
			1,485,794	1,495,225

The deferred shares carry no voting rights, no rights to receive a dividend and have no value in a winding up unless ordinary share valuation exceeds £1,000 per share. Whilst they are stated in the financial statements at their nominal value, they have no commercial value.

Purchase of own shares
During the year the company purchased and subsequently cancelled 188,621 (2015: 525,378) of its own shares. The nominal value of the shares was £9,431 (2015: £26,269) and the amount paid was £188,621 (2015: £525,378).

25. RESERVES

Group

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 April 2015	1,935,024	3,712,396	4,302,220	26,600	9,976,240
Prior year adjustment	(282,993)				(282,993)
	1,652,031				9,693,247
Profit for the year	997,428				997,428
Tax effect on revaluations	-	-	843,424	-	843,424
Buy back of share capital	(188,621)	-	-	9,431	(179,190)
At 31 March 2016	2,460,838	3,712,396	5,145,644	36,031	11,354,909

Company

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 April 2015	1,391,953	3,712,396	3,007,568	26,600	8,138,517
Prior year adjustment	(117,088)				(117,088)
	1,274,865				8,021,429
Profit for the year	611,311				611,311
Tax effect on revaluations	-	-	(32,752)	-	(32,752)
Buy back of share capital	(188,621)	-	-	9,431	(179,190)
At 31 March 2016	1,697,555	3,712,396	2,974,816	36,031	8,420,798

continued...

26. RELATED PARTY DISCLOSURES

During the year ADL plc paid £12,200 to Mrs P L Jackson, a director, for the rent of the company's head office (2015: £12,000). The amount outstanding at the balance sheet date was £nil (2015: £nil).

Airtronix Limited, a company in which Mr W J Davies is a director, provided services during the year to the group amounting to £2,308 (2015: £9,555) including services amounting to £714 (2015: £7,929) to the company. At the year end £nil (2015: £737) was outstanding from the group including £nil (2015: £737) outstanding from the company. Mr A Jackson (the husband of Mrs P Jackson) is also a director of Airtronix Limited.

Mr W J Davies and Mrs P L Jackson are directors of Oakhurst Court Limited, a company with which ADL PLC have entered into a partnership agreement. In the current period, £193,865 (2015: £209,361) was due from Oakhurst Court Limited to ADL PLC under that agreement. At the year end ADL PLC was owed a total of £612,310 (2015: £178,798) from Oakhurst Court Limited.

Mr W J Davies and Mrs P L Jackson are directors of Charlton Court Limited, a company with which ADL PLC have entered into a partnership agreement. In the current period, £221,884 (2015: £36,666) was due from Charlton Court Limited to ADL PLC under that agreement. At the year end ADL PLC was owed a total of £39,345 from Charlton Court Limited (2015: £76,054).

27. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr W J Davies Managing director.

These financial statements are the largest for which group financial statements are prepared and in which the company is included.

At the reporting date, in the directors' opinion, Mr W J Davies was the ultimate controlling party. There has been no change between the reporting date and date of approval of the financial statements.

28. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	31.3.16	31.3.15 as restated
	£	£
Profit for the financial year	**997,428**	572,057
Other comprehensive income relating to the year (net)	**664,234**	(403,072)
Tax effect on indexed property		
Cancellation of own shares acquired	**(9,431)**	(26,269)
Net addition to shareholders' funds	**1,652,231**	142,716
Opening shareholders' funds (originally £11,471,465 before prior year adjustment of £(282,993))	**11,188,472**	11,045,756
Closing shareholders' funds	**12,840,703**	11,188,472

Company

	31.3.16	31.3.15 as restated
	£	£
Profit for the financial year	**611,311**	433,549
Other comprehensive income relating to the year (net)	**(211,942)**	(529,144)
Tax effect on indexed property		
Cancellation of own shares acquired	**(9,431)**	(26,269)
Net addition/(reduction) to shareholder funds	**389,938**	(121,864)
Opening shareholder funds (originally £9,633,742 before prior year adjustment of £(117,088))	**9,516,654**	9,638,518
Closing shareholder funds	**9,906,592**	9,516,654

continued...

29. BUSINESS COMBINATIONS

Woodlands Of Woolley Limited
On 19 October 2015, the group acquired control of Woodlands Of Woolley Limited through the purchase of 100% of the share capital for total consideration of £700,000. Woodlands of Woolley Limited operates a care home.

Consideration at 19 October 2015

	£
Cash	700,000
Total consideration	700,000

For cash flow disclosure purposes the amounts are disclosed as follows:

Cash consideration	700,000
Less: Cash and cash equivalents acquired	(26,783)
Net cash outflow	673,217

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book values £	Adjustments £	Fair value £
Property, plant and equipment	673,217	-	673,217
Cash and cash equivalents	26,783	-	26,783
Total identifiable net assets	700,000	-	700,000
Goodwill			-
Total			700,000

No adjustments were required on acquisition.

ADL Derby Limited and ADL Liverpool Limited
On 12 August 2015, the group incorporated ADL Derby Limited and ADL Liverpool Limited and subscribed for 100% of the share capital for total consideration of £100 each. ADL Derby Limited and ADL Liverpool Limited both operate care home(s).

30. FIRST YEAR ADOPTION

Transitional relief
On transition to FRS 102, the group has taken advantage of the following transitional relief:

- to measure fair value at date of transition to FRS 102 and use as deemed cost on an item of property, plant and equipment.

CONSOLIDATED RECONCILIATION OF EQUITY
1 APRIL 2014
(DATE OF TRANSITION TO FRS 102)

Group

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		340,313	-	340,313
Tangible assets	2	18,276,109	-	18,276,109
Investments		35,723	-	35,723
		18,652,145	-	18,652,145
CURRENT ASSETS				
Stocks		8,000	-	8,000
Debtors		729,403	-	729,403
Cash at bank and in hand		963,592	-	963,592
		1,700,995	-	1,700,995
CREDITORS				
Amounts falling due within one year		(1,810,523)	-	(1,810,523)
NET CURRENT LIABILITIES		(109,528)	-	(109,528)
TOTAL ASSETS LESS CURRENT LIABILITIES		18,542,617	-	18,542,617
CREDITORS				
Amounts falling due after more than one year		(6,083,637)	-	(6,083,637)
PROVISIONS FOR LIABILITIES	1	(625,931)	(787,293)	(1,413,224)
NET ASSETS		11,833,049	(787,293)	11,045,756
CAPITAL AND RESERVES				
Called up share capital		1,521,494	-	1,521,494
Share premium		3,712,396	-	3,712,396
Revaluation reserve	1	4,993,476	(787,293)	4,206,183
Capital redemption reserve		331	-	331
Retained earnings	2	1,605,352	-	1,605,352
SHAREHOLDERS' FUNDS		11,833,049	(787,293)	11,045,756
		11,833,049	(787,293)	11,045,756

The notes form part of these financial statements

continued...

CONSOLIDATED RECONCILIATION OF EQUITY - continued
31 MARCH 2015

Group

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		311,679	-	311,679
Tangible assets	2	18,323,509	(282,993)	18,040,516
Investments		26,324	-	26,324
		18,661,512	(282,993)	18,378,519
CURRENT ASSETS				
Stocks		15,000	-	15,000
Debtors		1,204,376	-	1,204,376
Cash at bank and in hand		839,706	-	839,706
		2,059,082	-	2,059,082
CREDITORS				
Amounts falling due within one year		(1,851,910)	-	(1,851,910)
NET CURRENT ASSETS		207,172	-	207,172
TOTAL ASSETS LESS CURRENT LIABILITIES		18,868,684	(282,993)	18,585,691
CREDITORS				
Amounts falling due after more than one year		(5,684,512)	-	(5,684,512)
PROVISIONS FOR LIABILITIES	1	(945,175)	(767,532)	(1,712,707)
NET ASSETS		12,238,997	(1,050,525)	11,188,472
CAPITAL AND RESERVES				
Called up share capital		1,495,225	-	1,495,225
Share premium		3,712,396	-	3,712,396
Revaluation reserve	1	5,069,752	(767,532)	4,302,220
Capital redemption reserve		26,600	-	26,600
Retained earnings	2	1,935,024	(282,993)	1,652,031
SHAREHOLDERS' FUNDS		12,238,997	(1,050,525)	11,188,472
		12,238,997	(1,050,525)	11,188,472

Notes to the reconciliation of equity
Note 1 - changes for FRS 102 adoption
Deferred tax on revaluation of property is now recognised at the end of the year with changes recognised in the revaluation reserve. Previously deferred tax was not required to be recognised on the revaluation of property not immediately available for resale.

Note 2 - Correction of prior period errors
Depreciation has been calculated on freehold property as required by the company's accounting policy. No additional liability to tax arose as a consequence.

continued...

COMPANY CONSOLIDATED RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 31 MARCH 2015

Group

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER				
Group and share of joint ventures		8,710,429	-	8,710,429
Less:				
Share of joint ventures' turnover		(243,559)	-	(243,559)
GROUP TURNOVER		8,466,870	-	8,466,870
Cost of sales		(5,337,495)	-	(5,337,495)
GROSS PROFIT		3,129,375	-	3,129,375
Administrative expenses	3	(1,897,484)	(282,993)	(2,180,477)
Other operating income		75,191	-	75,191
OPERATING PROFIT		1,307,082	(282,993)	1,024,089
Interest payable and similar expenses		(164,038)	-	(164,038)
PROFIT BEFORE TAXATION		1,143,044	(282,993)	860,051
Tax on profit		(287,994)	-	(287,994)
PROFIT FOR THE FINANCIAL YEAR		855,050	(282,993)	572,057
Profit attributable to:				
Owners of the parent		855,050	(282,993)	572,057

Notes to the reconciliation of profit or loss
Note 3 - Correction of prior period errors
Depreciation has been calculated on freehold property as required by the company's accounting policy. No additional liability to tax arose as a consequence.

The notes form part of these financial statements

continued...

ADL PLC (REGISTERED NUMBER: 02463465)

COMPANY RECONCILIATION OF EQUITY
1 APRIL 2014
(DATE OF TRANSITION TO FRS 102)

Company	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets	2	7,725,758	-	7,725,758
Investments		4,186,588	-	4,186,588
		11,912,346	-	11,912,346
CURRENT ASSETS				
Stocks		4,000	-	4,000
Debtors		4,780,391	-	4,780,391
Cash at bank and in hand		430,883	-	430,883
		5,215,274	-	5,215,274
CREDITORS				
Amounts falling due within one year		(1,405,465)	-	(1,405,465)
NET CURRENT ASSETS		3,809,809	-	3,809,809
TOTAL ASSETS LESS CURRENT LIABILITIES		15,722,155	-	15,722,155
CREDITORS				
Amounts falling due after more than one year		(6,083,637)	-	(6,083,637)
NET ASSETS		9,638,518	-	9,638,518
CAPITAL AND RESERVES				
Called up share capital		1,521,494	-	1,521,494
Share premium		3,712,396	-	3,712,396
Revaluation reserve	1	3,037,603	-	3,037,603
Capital redemption reserve		331	-	331
Retained earnings	2	1,366,694	-	1,366,694
SHAREHOLDER FUNDS		9,638,518	-	9,638,518

The notes form part of these financial statements

continued...

COMPANY RECONCILIATION OF EQUITY - continued
31 MARCH 2015

Company	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets	2	7,748,788	(117,088)	7,631,700
Investments		4,186,588	-	4,186,588
		11,935,376	(117,088)	11,818,288
CURRENT ASSETS				
Stocks		5,500	-	5,500
Debtors		4,372,232	-	4,372,232
Cash at bank and in hand		336,692	-	336,692
		4,714,424	-	4,714,424
CREDITORS				
Amounts falling due within one year		(1,331,546)	-	(1,331,546)
NET CURRENT ASSETS		3,382,878	-	3,382,878
TOTAL ASSETS LESS CURRENT LIABILITIES		15,318,254	(117,088)	15,201,166
CREDITORS				
Amounts falling due after more than one year		(5,684,512)	-	(5,684,512)
NET ASSETS		9,633,742	(117,088)	9,516,654
CAPITAL AND RESERVES				
Called up share capital		1,495,225	-	1,495,225
Share premium		3,712,396	-	3,712,396
Revaluation reserve	1	3,007,568	-	3,007,568
Capital redemption reserve		26,600	-	26,600
Retained earnings	2	1,391,953	(117,088)	1,274,865
SHAREHOLDER FUNDS		9,633,742	(117,088)	9,516,654

Notes to the reconciliation of equity
Note 1 - changes for FRS 102 adoption
Deferred tax on revaluation of property is now recognised at the end of the year with changes recognised in the revaluation reserve. Previously deferred tax was not required to be recognised on the revaluation of property not immediately available for resale.

Note 2 - Correction of prior period errors
Depreciation has been calculated on freehold property as required by the company's accounting policy. No additional liability to tax arose as a consequence.

continued...

COMPANY RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 31 MARCH 2015

Company

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER		2,892,858	-	2,892,858
Cost of sales		(1,856,967)	-	(1,856,967)
GROSS PROFIT		1,035,891	-	1,035,891
Administrative expenses	3	(181,653)	(117,088)	(298,741)
Other operating income		7,149	-	7,149
OPERATING PROFIT		861,387	(117,088)	744,299
Interest payable and similar expenses		(164,038)	-	(164,038)
PROFIT BEFORE TAXATION		697,349	(117,088)	580,261
Tax on profit		(146,712)	-	(146,712)
PROFIT FOR THE FINANCIAL YEAR		550,637	(117,088)	433,549

Notes to the reconciliation of profit or loss
Note 3 - Correction of prior period errors
Depreciation has been calculated on freehold property as required by the company's accounting policy. No additional liability to tax arose as a consequence.