

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
AMENDED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018  
FOR  
ADL PLC**

WEDNESDAY



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10/10/2018 #51  
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**ADL PLC (REGISTERED NUMBER: 02463465)**

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FOR THE YEAR ENDED 31 MARCH 2018**

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<b>DIRECTORS:</b>	Mr W J Davies Mrs P L Jackson Sir W H W Wells
<b>SECRETARY:</b>	Mr W J Davies
<b>REGISTERED OFFICE:</b>	Woodlands of Woolley Residential Home Woolley Low Moor Lane Wakefield WF4 2LN
<b>REGISTERED NUMBER:</b>	02463465 (England and Wales)
<b>AUDITORS:</b>	Cox Costello & Horne Chartered Accountants and Statutory Auditors 4th & 5th Floor 14-15 Lower Grosvenor Place London SW1W 0EX
<b>BANKERS:</b>	HSBC 41 Southgate Bath BA1 1TN
<b>SOLICITORS:</b>	Birketts LLP 16-18 Queen Street Norwich Norfolk NR2 4SQ

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

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The directors present their strategic report of the company and the group for the year ended 31 March 2018.

**REVIEW OF BUSINESS AND MANAGING DIRECTORS REPORT**

The results for 2018 are disappointing and are due to the margin squeeze in the industry and the shortage of funding from local authorities in relation to long term care. As predicted last year the regulatory climate is increasingly difficult and has led to contract blocking of a number of our homes during the year. I am pleased to say that currently we have no homes unable to take residents.

We continue a programme of upgrade and some major works which will improve our stock.

On a personal note I would like to thank Mrs Pearl Jackson for her support and leadership during the period of my absence due to my wife's illness. Pearl and the staff have continued running the business allowing me to concentrate on caring for my wife.

Net assets per share have increased to £2.46 (2017 £2.09) due mainly to retained earnings and a small reduction in the number of shares in issue.

Again this year the Board continues its policy of not declaring a dividend we therefore make an offer to purchase any outstanding shares at £2.50 per share subject to available cash resources.

Finally I would like to thank all our loyal staff for their hard work, often under great pressure.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principle risks and uncertainties of the business are as follows:

1. The uncertainties in respect of the decisions of the Care Quality Commission.
2. Exposure to new legislation and regulatory requirements
3. The recruitment and retention of a skilled workforce
4. 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.

1. Occupancy rates
2. Gross Margin
3. Wage costs per bed
4. Debtor turn
5. 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 - Director

28 September 2018

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2018**

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

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2018.

**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 2017 to the date of this report.

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

**FINANCIAL INSTRUMENTS**

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.

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.

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 2018, the group bought back and cancelled 112,234 (2017: 409,771) ordinary shares of 5p each (representing 1.3% (2017: 4.5%)) of the called up share capital) at an average price of 177p per share (2017: 113p per share) for a total of £199,000 (2017: £461,192) with a nominal value of £5,612 (2017: £20,489). 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.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**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.

**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, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



Mr W J Davies - Director

28 September 2018

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ADL PLC

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### Opinion

We have audited the financial statements of ADL PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the Consolidated Profit and loss account, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2018 and of the group's 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The directors are responsible for the other information. The other information comprises the information in the Annual Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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 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; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ADL PLC**

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Our 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Michael F Cox BSc FCA (Senior Statutory Auditor)  
for and on behalf of Cox Costello & Horne  
Chartered Accountants and Statutory Auditors  
4th & 5th Floor  
14-15 Lower Grosvenor Place  
London  
SW1W 0EX

Date: 28 September 2018



**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	31.3.18 £	31.3.17 £
<b>TURNOVER</b>			
Group and share of joint ventures		13,927,288	14,171,353
Less:			
Share of joint ventures' turnover		<u>(291,504)</u>	<u>(269,567)</u>
<b>GROUP TURNOVER</b>	5	13,635,784	13,901,786
Cost of sales		<u>8,472,661</u>	<u>8,314,107</u>
<b>GROSS PROFIT</b>		5,163,123	5,587,679
Administrative expenses		<u>2,402,793</u>	<u>2,470,246</u>
		2,760,330	3,117,433
Other operating income		<u>99,336</u>	<u>99,291</u>
<b>OPERATING PROFIT</b>	7	2,859,666	3,216,724
Interest payable and similar expenses	8	<u>(208,979)</u>	<u>(223,915)</u>
<b>PROFIT BEFORE TAXATION</b>		2,650,687	2,992,809
Tax on profit	9	<u>573,697</u>	<u>679,717</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		2,076,990	2,313,092
<b>OTHER COMPREHENSIVE INCOME</b>			
Payments to acquire own shares		(199,000)	(461,192)
Cancellation of own shares		5,612	20,489
Property revaluations		-	4,345,529
Tax effect on indexed property		<u>100,517</u>	<u>(647,078)</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<u>(92,871)</u>	<u>3,257,748</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>1,984,119</u>	<u>5,570,840</u>
Profit attributable to:			
Owners of the parent		<u>2,076,990</u>	<u>2,313,092</u>
Total comprehensive income attributable to:			
Owners of the parent		<u>1,984,119</u>	<u>5,570,840</u>
Earnings per share expressed in pence per share:	11		
Basic		24.90	25.49
Diluted		<u>24.90</u>	<u>25.49</u>

The notes form part of these financial statements

**CONSOLIDATED BALANCE SHEET**  
**31 MARCH 2018**

	Notes	31.3.18 £	31.3.17 £
<b>FIXED ASSETS</b>			
Intangible assets	12	251,547	280,181
Tangible assets	13	24,315,135	24,823,431
Investments	14		
Interest in joint venture			
Share of gross assets		78,503	79,640
Share of gross liabilities		(19,467)	(17,347)
		59,036	62,293
Other investments		1,425,000	1,425,000
		<b>26,050,718</b>	<b>26,590,905</b>
<b>CURRENT ASSETS</b>			
Stocks	15	16,000	16,000
Debtors	16	2,089,946	2,410,978
Cash at bank and in hand		3,627,277	2,440,895
		<b>5,733,223</b>	<b>4,867,873</b>
<b>CREDITORS</b>			
Amounts falling due within one year	17	2,206,773	3,122,758
<b>NET CURRENT ASSETS</b>		<b>3,526,450</b>	<b>1,745,115</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>29,577,168</b>	<b>28,336,020</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	18	(7,904,833)	(8,544,584)
<b>PROVISIONS FOR LIABILITIES</b>	22	(1,302,773)	(1,400,381)
<b>NET ASSETS</b>		<b>20,369,562</b>	<b>18,391,055</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	23	1,459,694	1,465,306
Share premium	24	3,712,396	3,712,396
Revaluation reserve	24	8,859,959	8,759,442
Capital redemption reserve	24	62,132	56,520
Retained earnings	24	6,275,381	4,397,391
<b>SHAREHOLDERS' FUNDS</b>	27	<b>20,369,562</b>	<b>18,391,055</b>

The financial statements were approved by the Board of Directors on 28 September 2018 and were signed on its behalf by:



Mr W J Davies - Director

COMPANY BALANCE SHEET  
31 MARCH 2018

	Notes	31.3.18 £	31.3.17 £
<b>FIXED ASSETS</b>			
Intangible assets	12	-	-
Tangible assets	13	6,167,120	6,309,037
Investments	14	<u>6,338,558</u>	<u>6,338,558</u>
		12,505,678	12,647,595
<b>CURRENT ASSETS</b>			
Stocks	15	5,500	5,500
Debtors	16	6,666,030	7,591,645
Cash at bank and in hand		<u>2,130,848</u>	<u>1,065,121</u>
		8,802,378	8,662,266
<b>CREDITORS</b>			
Amounts falling due within one year	17	<u>1,540,691</u>	<u>1,773,882</u>
<b>NET CURRENT ASSETS</b>		<u>7,261,687</u>	<u>6,888,384</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		19,767,365	19,535,979
<b>CREDITORS</b>			
Amounts falling due after more than one year	18	(7,904,833)	(8,544,584)
<b>PROVISIONS FOR LIABILITIES</b>	22	<u>(10,349)</u>	<u>(16,120)</u>
<b>NET ASSETS</b>		<u>11,852,183</u>	<u>10,975,275</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	23	1,459,694	1,465,306
Share premium	24	3,712,396	3,712,396
Revaluation reserve	24	3,237,288	3,206,854
Capital redemption reserve	24	62,132	56,520
Retained earnings	24	<u>3,380,673</u>	<u>2,534,199</u>
<b>SHAREHOLDER FUNDS</b>	27	<u>11,852,183</u>	<u>10,975,275</u>
Company's profit for the financial year		<u>1,045,474</u>	<u>1,291,976</u>

The financial statements were approved by the Board of Directors on 29.09.2018 and were signed on its behalf by:



Mr W J Davies - Director

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

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>
<b>Balance at 1 April 2016</b>	1,485,794	2,460,838	3,712,396
<b>Changes in equity</b>			
Share buy back	(20,488)	-	-
Total comprehensive income	-	1,936,553	-
<b>Balance at 31 March 2017</b>	<u>1,465,306</u>	<u>4,397,391</u>	<u>3,712,396</u>
<b>Changes in equity</b>			
Share buy back	(5,612)	-	-
Total comprehensive income	-	1,877,990	-
<b>Balance at 31 March 2018</b>	<u>1,459,694</u>	<u>6,275,381</u>	<u>3,712,396</u>
	<b>Revaluation reserve £</b>	<b>Capital redemption reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 April 2016</b>	5,145,644	36,031	12,840,703
<b>Changes in equity</b>			
Share buy back	-	-	(20,488)
Total comprehensive income	3,613,798	20,489	5,570,840
<b>Balance at 31 March 2017</b>	<u>8,759,442</u>	<u>56,520</u>	<u>18,391,055</u>
<b>Changes in equity</b>			
Share buy back	-	-	(5,612)
Total comprehensive income	100,517	5,612	1,984,119
<b>Balance at 31 March 2018</b>	<u>8,859,959</u>	<u>62,132</u>	<u>20,369,562</u>

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

	Called up share capital £	Retained earnings £	Share premium £
<b>Balance at 1 April 2016</b>	1,485,794	1,697,555	3,712,396
<b>Changes in equity</b>			
Share buy back	(20,488)	-	-
Total comprehensive income	-	836,644	-
<b>Balance at 31 March 2017</b>	<u>1,465,306</u>	<u>2,534,199</u>	<u>3,712,396</u>
<b>Changes in equity</b>			
Share buy back	(5,612)	-	-
Total comprehensive income	-	846,474	-
<b>Balance at 31 March 2018</b>	<u>1,459,694</u>	<u>3,380,673</u>	<u>3,712,396</u>
	Revaluation reserve £	Capital redemption reserve £	Total equity £
<b>Balance at 1 April 2016</b>	2,974,816	36,031	9,906,592
<b>Changes in equity</b>			
Share buy back	-	-	(20,488)
Total comprehensive income	232,038	20,489	1,089,171
<b>Balance at 31 March 2017</b>	<u>3,206,854</u>	<u>56,520</u>	<u>10,975,275</u>
<b>Changes in equity</b>			
Share buy back	-	-	(5,612)
Total comprehensive income	30,434	5,612	882,520
<b>Balance at 31 March 2018</b>	<u>3,237,288</u>	<u>62,132</u>	<u>11,852,183</u>

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	31.3.18 £	31.3.17 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	3,334,408	3,496,836
Interest paid		(208,979)	(223,915)
Tax paid		(998,493)	(396,173)
Net cash from operating activities		<u>2,126,936</u>	<u>2,876,748</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		-	(25,770)
Purchase of tangible fixed assets		(222,590)	(313,076)
Joint venture share of assets		3,057	(786)
Joint venture share of profits		<u>99,336</u>	<u>99,291</u>
Net cash from investing activities		<u>(120,197)</u>	<u>(240,341)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(621,357)	(650,805)
Share buyback		<u>(199,000)</u>	<u>(461,192)</u>
Net cash from financing activities		<u>(820,357)</u>	<u>(1,111,997)</u>
<b>Increase in cash and cash equivalents</b>		<u>1,186,382</u>	<u>1,524,410</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>2,440,895</u>	<u>916,485</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>3,627,277</u></u>	<u><u>2,440,895</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2018

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

	31.3.18	31.3.17
	£	£
Profit before taxation	2,650,687	2,992,809
Depreciation charges	759,520	733,912
Joint venture share of profits	(99,336)	(99,291)
Finance costs	208,979	223,915
	<u>3,519,850</u>	<u>3,851,345</u>
Decrease/(increase) in trade and other debtors	346,055	(660,338)
(Decrease)/increase in trade and other creditors	<u>(531,497)</u>	<u>305,829</u>
<b>Cash generated from operations</b>	<u><b>3,334,408</b></u>	<u><b>3,496,836</b></u>

## 2. CASH AND CASH EQUIVALENTS

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

## Year ended 31 March 2018

	31.3.18	1.4.17
	£	£
Cash and cash equivalents	<u>3,627,277</u>	<u>2,440,895</u>

## Year ended 31 March 2017

	31.3.17	1.4.16
	£	£
Cash and cash equivalents	<u>2,440,895</u>	<u>916,485</u>

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

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**1. GENERAL INFORMATION**

ADL plc is a public unlisted company limited by shares and is incorporated in England. The registered office is Woodlands of Woolley Residential Home, Woolley Low Moor Lane, Wakefield, WF4 2LN.

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

**2. STATUTORY INFORMATION**

ADL PLC is a private company, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

**3. 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.

**4. 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 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

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4. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

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4. 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.

**Goodwill**

Goodwill, being the difference between the cost of the businesses acquired and the fair value of their separable net assets, is included in the balance sheet in accordance with FRS 102 section 19: Business combinations and goodwill. Purchases of intangible assets are included in the balance sheet at cost less accumulated amortisation. Goodwill and intangible assets are amortised in equal instalments over their estimated useful economic lives.

The annual rates used for intangible assets are:

- Goodwill - 5 to 10 years

The useful economic lives are reviewed annually and revised if necessary. Provision is made for any impairment.

Amortisation and impairment losses are recognised in the profit and loss account under administration expenses.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

4. 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.

4. ACCOUNTING POLICIES - continued

**Financial risk management**

**Financial Risk Factors**

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. The Group has in place a risk management program to limit the adverse effects of such finance risks by monitoring levels of debt and related finance costs.

**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.

**Credit Risk**

Credit risk arises from cash and cash equivalents as well as exposure to customers including outstanding receivables.

**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.

**Capital Risk Management**

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.

**Critical Accounting Estimates, Judgements and Assumptions**

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

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

**a) Estimated impairment of Goodwill**

The Group annually tests whether goodwill has suffered any impairment, in accordance with the accounting policy stated above. The recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates.

**b) Property, Plant and Equipment**

Included in property, plant and equipment is a property held at a directors' valuation based on current market values. It is the directors' opinion that the valuation represents an achievable market value for this property.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

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4. **ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**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.

4. 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.

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

**4. 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.

**5. 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:

	31.3.18 £	31.3.17 £
United Kingdom	<u>13,635,784</u>	<u>13,901,786</u>
	<u>13,635,784</u>	<u>13,901,786</u>

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.

**6. EMPLOYEES AND DIRECTORS**

	31.3.18 £	31.3.17 £
Wages and salaries	7,312,974	7,243,351
Social security costs	462,704	434,331
Other pension costs	<u>24,422</u>	<u>-</u>
	<u>7,800,100</u>	<u>7,677,682</u>

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

	31.3.18	31.3.17
Engaged in the provision of care	461	470
Catering, domestic and maintenance	153	156
Management and administration	<u>28</u>	<u>29</u>
	<u>642</u>	<u>655</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

## 6. EMPLOYEES AND DIRECTORS - continued

The average number of employees by undertakings that were proportionately consolidated during the year was 642 (2017 - 655).

**Key management compensation**

Key management are considered to be the directors of the parent company

	31.3.18	31.3.17
	£	£
Directors' remuneration	225,000	225,000
Directors' excess retirement benefits	<u>40,000</u>	<u>75,000</u>

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

	2	2
Money purchase schemes	<u>2</u>	<u>2</u>

Information regarding the highest paid director is as follows:

	31.3.18	31.3.17
	£	£
Emoluments etc	<u>97,500</u>	<u>97,500</u>

## 7. OPERATING PROFIT

The operating profit is stated after charging:

	31.3.18	31.3.17
	£	£
Other operating leases	3,000	12,000
Depreciation - owned assets	730,886	705,124
Goodwill amortisation	28,634	28,634
Auditors' remuneration	55,080	53,079
Auditors' remuneration for non audit work	<u>27,026</u>	<u>32,748</u>

## 8. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.18	31.3.17
	£	£
Bank loan interest	<u>208,979</u>	<u>223,915</u>

## 9. TAXATION

**Analysis of the tax charge**

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

	31.3.18	31.3.17
	£	£
Current tax:		
UK corporation tax	599,324	680,429
Deferred tax	<u>(25,627)</u>	<u>(712)</u>
Tax on profit	<u>573,697</u>	<u>679,717</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

## 9. TAXATION - continued

**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:

	31.3.18 £	31.3.17 £
Profit before tax	<u>2,650,687</u>	<u>2,992,809</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	503,631	598,562
Effects of:		
Expenses not deductible for tax purposes	5,672	5,726
Depreciation in excess of capital allowances	66,952	72,871
Utilised tax losses	<u>(2,558)</u>	<u>2,558</u>
Total tax charge	<u>573,697</u>	<u>679,717</u>

**Tax effects relating to effects of other comprehensive income**

	Gross £	31.3.18 Tax £	Net £
Property revaluations	-	<u>100,517</u>	<u>100,517</u>
	-	<u>100,517</u>	<u>100,517</u>

  

	Gross £	31.3.17 Tax £	Net £
Property revaluations	<u>4,345,529</u>	<u>(647,078)</u>	<u>3,698,451</u>
	<u>4,345,529</u>	<u>(647,078)</u>	<u>3,698,451</u>

**Factors that may affect future tax charges****Tax rate changes**

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 8 March 2017. The change announced is to reduce the main rate to 19% from 1 April 2017, and cut further to 17% from 1 April 2020.

**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 (2017: £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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

## 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 £	31.3.18 Weighted average number of shares	Per-share amount pence
<b>Basic EPS</b>			
Earnings attributable to ordinary shareholders	2,076,990	8,342,802	24.90
Effect of dilutive securities	-	-	-
<b>Diluted EPS</b>			
Adjusted earnings	<u>2,076,990</u>	<u>8,342,802</u>	<u>24.90</u>

	Earnings £	31.3.17 Weighted average number of shares	Per-share amount pence
<b>Basic EPS</b>			
Earnings attributable to ordinary shareholders	2,313,092	9,076,213	25.49
Effect of dilutive securities	-	-	-
<b>Diluted EPS</b>			
Adjusted earnings	<u>2,313,092</u>	<u>9,076,213</u>	<u>25.49</u>

## 12. INTANGIBLE FIXED ASSETS

<b>Group</b>	<b>Goodwill £</b>
<b>COST</b>	
At 1 April 2017 and 31 March 2018	<u>445,015</u>
<b>AMORTISATION</b>	
At 1 April 2017	164,834
Amortisation for year	<u>28,634</u>
At 31 March 2018	<u>193,468</u>
<b>NET BOOK VALUE</b>	
At 31 March 2018	<u>251,547</u>
At 31 March 2017	<u>280,181</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

## 12. INTANGIBLE FIXED ASSETS - continued

## Group

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

Amortisation of £28,634 (2017: £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.

## 13. TANGIBLE FIXED ASSETS

## Group

	Freehold property £	Short leasehold £	Plant and machinery £
<b>COST OR VALUATION</b>			
At 1 April 2017	<u>24,650,000</u>	<u>850,000</u>	<u>1,876</u>
At 31 March 2018	<u>24,650,000</u>	<u>850,000</u>	<u>1,876</u>
<b>DEPRECIATION</b>			
At 1 April 2017	946,003	279,388	1,876
Charge for year	<u>342,875</u>	<u>11,988</u>	-
At 31 March 2018	<u>1,288,878</u>	<u>291,376</u>	<u>1,876</u>
<b>NET BOOK VALUE</b>			
At 31 March 2018	<u>23,361,122</u>	<u>558,624</u>	-
At 31 March 2017	<u>23,703,997</u>	<u>570,612</u>	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

## 13. TANGIBLE FIXED ASSETS - continued

## Group

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST OR VALUATION</b>				
At 1 April 2017	1,440,485	8,871	23,600	26,974,832
Additions	<u>222,590</u>	-	-	<u>222,590</u>
At 31 March 2018	<u>1,663,075</u>	<u>8,871</u>	<u>23,600</u>	<u>27,197,422</u>
<b>DEPRECIATION</b>				
At 1 April 2017	898,316	2,218	23,600	2,151,401
Charge for year	<u>376,023</u>	-	-	<u>730,886</u>
At 31 March 2018	<u>1,274,339</u>	<u>2,218</u>	<u>23,600</u>	<u>2,882,287</u>
<b>NET BOOK VALUE</b>				
At 31 March 2018	<u>388,736</u>	<u>6,653</u>	-	<u>24,315,135</u>
At 31 March 2017	<u>542,169</u>	<u>6,653</u>	-	<u>24,823,431</u>

Included in cost or valuation of land and buildings is freehold land of £6,760,000 (2017 - £6,760,000) which is not depreciated.

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

Cost or valuation at 31 March 2018 is represented by:

	Freehold property £	Short leasehold £	Plant and machinery £
Valuation in 2017	4,314,030	-	-
Cost	<u>20,335,970</u>	<u>850,000</u>	<u>1,876</u>
	<u>24,650,000</u>	<u>850,000</u>	<u>1,876</u>

  

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2017	-	-	-	4,314,030
Cost	<u>1,663,075</u>	<u>8,871</u>	<u>23,600</u>	<u>22,883,392</u>
	<u>1,663,075</u>	<u>8,871</u>	<u>23,600</u>	<u>27,197,422</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

## 13. TANGIBLE FIXED ASSETS - continued

## Company

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>				
At 1 April 2017	6,520,000	327,102	8,871	6,855,973
Additions	-	53,625	-	53,625
At 31 March 2018	<u>6,520,000</u>	<u>380,727</u>	<u>8,871</u>	<u>6,909,598</u>
<b>DEPRECIATION</b>				
At 1 April 2017	327,176	217,542	2,218	546,936
Charge for year	<u>117,087</u>	<u>78,455</u>	-	<u>195,542</u>
At 31 March 2018	<u>444,263</u>	<u>295,997</u>	<u>2,218</u>	<u>742,478</u>
<b>NET BOOK VALUE</b>				
At 31 March 2018	<u>6,075,737</u>	<u>84,730</u>	<u>6,653</u>	<u>6,167,120</u>
At 31 March 2017	<u>6,192,824</u>	<u>109,560</u>	<u>6,653</u>	<u>6,309,037</u>

Included in cost of land and buildings is freehold land of £1,870,000 (2017 - £1,870,000) which is not depreciated.

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

Cost or valuation at 31 March 2018 is represented by:

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2017	292,999	-	-	292,999
Cost	<u>6,227,001</u>	<u>380,727</u>	<u>8,871</u>	<u>6,616,599</u>
	<u>6,520,000</u>	<u>380,727</u>	<u>8,871</u>	<u>6,909,598</u>

## 14. FIXED ASSET INVESTMENTS

## Group

	Interest in joint venture £	Unlisted investments £	Totals £
<b>COST</b>			
At 1 April 2017	62,293	1,425,000	1,487,293
Share of profits	99,339	-	99,339
Share of profits remitted	<u>(102,596)</u>	-	<u>(102,596)</u>
At 31 March 2018	<u>59,036</u>	<u>1,425,000</u>	<u>1,484,036</u>
<b>NET BOOK VALUE</b>			
At 31 March 2018	<u>59,036</u>	<u>1,425,000</u>	<u>1,484,036</u>
At 31 March 2017	<u>62,293</u>	<u>1,425,000</u>	<u>1,487,293</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**Group****Interest in joint venture**

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

	31.3.18	31.3.17
	£	£
Profit before tax	99,336	99,291
Taxation	-	-
Profit after tax	<u>99,336</u>	<u>99,291</u>
Share of assets		
Fixed assets	-	-
Current assets	78,503	79,640
Share of liabilities		
Share of liabilities due within one year	(19,647)	(17,347)
Share of liabilities due after one year or more	-	-
Share of net assets	<u>58,856</u>	<u>62,293</u>

**South Garth Residential Care Home**

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

	31.3.18	31.3.17
	£	£
Turnover	<u>291,504</u>	<u>269,567</u>
Profit before tax	99,336	99,291
Taxation	-	-
Profit after tax	<u>99,336</u>	<u>99,291</u>
Share of assets		
Fixed assets	-	-
Current assets	78,503	79,640
Share of liabilities		
Liabilities due within one year	(19,647)	(17,347)
Liabilities due after one year or more	-	-
Share of net assets	<u>58,856</u>	<u>62,293</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

## 14. FIXED ASSET INVESTMENTS - continued

Company	Shares in group undertakings £	Unlisted investments £	Totals £
<b>COST</b>			
At 1 April 2017 and 31 March 2018	<u>5,545,553</u>	<u>1,425,000</u>	<u>6,970,553</u>
<b>PROVISIONS</b>			
At 1 April 2017 and 31 March 2018	<u>631,995</u>	<u>-</u>	<u>631,995</u>
<b>NET BOOK VALUE</b>			
At 31 March 2018	<u>4,913,558</u>	<u>1,425,000</u>	<u>6,338,558</u>
At 31 March 2017	<u>4,913,558</u>	<u>1,425,000</u>	<u>6,338,558</u>

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: Woodlands of Woolley Residential Home, Woolley Low Moor Lane, Wakefield, WF4 2LN  
Nature of business: Nursing homes

	%		
Class of shares:	holding		
Ordinary	100.00		
		31.3.18	31.3.17
		£	£
Aggregate capital and reserves		2,855,582	2,443,831
Profit for the year		<u>411,751</u>	<u>262,382</u>

**Solutions (Yorkshire) Limited**

Registered office: Woodlands of Woolley Residential Home, Woolley Low Moor Lane, Wakefield, WF4 2LN  
Nature of business: Nursing homes

	%		
Class of shares:	holding		
Ordinary	100.00		
		31.3.18	31.3.17
		£	£
Aggregate capital and reserves		1,893,149	1,889,601
Profit for the year		<u>3,548</u>	<u>128,143</u>

**ADL Leased Homes Limited**

Registered office: Woodlands of Woolley Residential Home, Woolley Low Moor Lane, Wakefield, WF4 2LN  
Nature of business: Nursing homes

	%		
Class of shares:	holding		
Ordinary A	100.00		
Ordinary B	100.00		
		31.3.18	31.3.17
		£	£
Aggregate capital and reserves		988,981	973,247
Profit for the year		<u>16,037</u>	<u>94,040</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

## 14. FIXED ASSET INVESTMENTS - continued

**The Knoll Nursing Home Limited**

Registered office: Woodlands of Woolley Residential Home, Woolley Low Moor Lane, Wakefield, WF4 2LN

Nature of business: Dormant

	% holding		
Class of shares:			
Ordinary	100.00	31.3.18 £	31.3.17 £
Aggregate capital and reserves		<u>1,000</u>	<u>1,000</u>

**Woodland Nursing Homes Limited**

Registered office: Woodlands of Woolley Residential Home, Woolley Low Moor Lane, Wakefield, WF4 2LN

Nature of business: Nursing home

	% holding		
Class of shares:			
Ordinary	100.00	31.3.18 £	31.3.17 £
Aggregate capital and reserves		<u>1,091,187</u>	<u>1,103,377</u>
Loss for the year		<u>(12,190)</u>	<u>(4,722)</u>

**Sunnymede Limited**

Registered office: Woodlands of Woolley Residential Home, Woolley Low Moor Lane, Wakefield, WF4 2LN

Nature of business: Nursing home

	% holding		
Class of shares:			
Ordinary	100.00	31.3.18 £	31.3.17 £
Aggregate capital and reserves		<u>2,061,534</u>	<u>1,925,279</u>
Profit for the year		<u>136,255</u>	<u>156,379</u>

**Heart Care Home Consultancy Limited**

Registered office: Woodlands of Woolley Residential Home, Woolley Low Moor Lane, Wakefield, WF4 2LN

Nature of business: Care home consultancy

	% holding		
Class of shares:			
Ordinary	100.00	31.3.18 £	31.3.17 £
Aggregate capital and reserves		<u>85,920</u>	<u>85,920</u>

**ADL Derby Limited**

Registered office: Woodlands of Woolley Residential Home, Woolley Low Moor Lane, Wakefield, WF4 2LN

Nature of business: Nursing home

	% holding		
Class of shares:			
Ordinary	100.00	31.3.18 £	31.3.17 £
Aggregate capital and reserves		<u>627,317</u>	<u>516,535</u>
Profit for the year		<u>110,782</u>	<u>160,964</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

## 14. FIXED ASSET INVESTMENTS - continued

**ADL Liverpool Limited**

Registered office: Woodlands of Woolley Residential Home, Woolley Low Moor Lane, Wakefield, WF4 2LN

Nature of business: Nursing homes

	% holding	31.3.18	31.3.17
Class of shares:			
Ordinary	100.00	£	£
Aggregate capital and reserves		<b>2,206,056</b>	1,841,887
Profit for the year		<b><u>364,169</u></b>	<u>255,353</u>

**Woodlands Of Woolley Limited**

Registered office: Woodlands of Woolley Residential Home, Woolley Low Moor Lane, Wakefield, WF4 2LN

Nature of business: Nursing home

	% holding	31.3.18	31.3.17
Class of shares:			
Ordinary	100.00	£	£
Aggregate capital and reserves		<b>1,257,679</b>	1,228,453
Profit/(loss) for the year		<b><u>29,226</u></b>	<u>(2,456)</u>

**Joint venture****South Garth Residential Care Home**

Registered office: Woodlands of Woolley Residential Home, Woolley Low Moor Lane, Wakefield, WF4 2LN

Nature of business: Nursing home

	% holding	31.3.18	31.3.17
Class of shares:			
Unincorporated partnership	50.00	£	£
Aggregate capital and reserves		<b>117,712</b>	124,586
Profit for the year		<b><u>198,678</u></b>	<u>198,742</u>

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.

## 15. STOCKS

	Group		Company	
	31.3.18	31.3.17	31.3.18	31.3.17
	£	£	£	£
Stocks	<b><u>16,000</u></b>	<u>16,000</u>	<b><u>5,500</u></b>	<u>5,500</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

## 16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.18	31.3.17	31.3.18	31.3.17
	£	£	£	£
Trade debtors	639,018	1,101,201	126,743	171,783
Amounts owed by group undertakings	-	-	5,327,942	6,340,906
Other debtors	1,053,902	971,484	885,768	788,891
Deferred tax asset	284,636	254,202	284,636	254,202
Prepayments and accrued income	112,390	84,091	40,941	35,863
	<u>2,089,946</u>	<u>2,410,978</u>	<u>6,666,030</u>	<u>7,591,645</u>

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

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

## 17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.18	31.3.17	31.3.18	31.3.17
	£	£	£	£
Bank loans (see note 19)	681,211	662,817	681,211	662,817
Trade creditors	170,856	259,759	61,191	50,502
Amounts owed to group undertakings	-	-	388,835	396,864
Tax	187,325	590,207	16,548	258,018
Social security and other taxes	201,995	212,364	67,279	75,666
Other creditors	802,729	1,231,611	248,881	258,019
Accruals and deferred income	162,657	166,000	76,746	71,996
	<u>2,206,773</u>	<u>3,122,758</u>	<u>1,540,691</u>	<u>1,773,882</u>

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

## 18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	31.3.18	31.3.17	31.3.18	31.3.17
	£	£	£	£
Bank loans (see note 19)	<u>7,904,833</u>	<u>8,544,584</u>	<u>7,904,833</u>	<u>8,544,584</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

## 19. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.3.18	31.3.17	31.3.18	31.3.17
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>681,211</u>	<u>662,817</u>	<u>681,211</u>	<u>662,817</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>699,604</u>	<u>681,210</u>	<u>699,604</u>	<u>681,210</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>2,209,174</u>	<u>2,153,993</u>	<u>2,209,174</u>	<u>2,153,993</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>4,996,055</u>	<u>5,709,381</u>	<u>4,996,055</u>	<u>5,709,381</u>

## 20. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	31.3.18	31.3.17	31.3.18	31.3.17
	£	£	£	£
Bank loans	<u>8,586,044</u>	<u>9,207,401</u>	<u>8,586,044</u>	<u>9,207,401</u>

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

## 21. FINANCIAL INSTRUMENTS

**Group**

The group has the following basic financial instruments:

	31.03.18	31.3.17
	£	£
<b>Financial assets that are debt instruments measured at amortised cost</b>		
- Trade debtors	639,018	1,101,201
- Other debtors	<u>1,053,328</u>	<u>971,484</u>
	<u>1,692,346</u>	<u>2,072,685</u>
<b>Financial liabilities measured at amortised cost</b>		
- Bank loans	8,586,044	9,207,401
- Trade creditors	170,857	259,759
- Other creditors	802,730	1,245,995
- Accruals	<u>131,631</u>	<u>166,000</u>
	<u>9,691,262</u>	<u>10,879,155</u>

## 22. PROVISIONS FOR LIABILITIES

	<b>Group</b>		<b>Company</b>	
	31.3.18	31.3.17	31.3.18	31.3.17
	£	£	£	£
Deferred tax	<u>1,302,773</u>	<u>1,400,381</u>	<u>10,349</u>	<u>16,120</u>
<b>Group</b>				
				<b>Deferred tax</b>
				<b>£</b>
Balance at 1 April 2017				1,400,381
Accelerated capital allowances				(27,526)
Tax effect on indexed property				<u>(70,082)</u>
Balance at 31 March 2018				<u>1,302,773</u>
<b>Company</b>				
				<b>Deferred tax</b>
				<b>£</b>
Balance at 1 April 2017				16,120
Accelerated capital allowances				<u>(5,771)</u>
Balance at 31 March 2018				<u>10,349</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

## 23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	31.3.18	31.3.17
Number:	Class:		£	£
8,668,643	Ordinary	0.05	432,164	437,776
20,550,794	Deferred	0.05	1,027,530	1,027,530
			<u>1,459,694</u>	<u>1,465,306</u>

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 112,234 (2017: 461,122) of its own shares. The nominal value of the shares was £5,612 (2017: £20,489) and the amount paid was £199,000 (2017: £461,192).

## 24. RESERVES

**Group**

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 April 2017	4,397,391	3,712,396	8,759,442	56,520	16,925,749
Profit for the year	2,076,990				2,076,990
Tax effect on revaluations	-	-	100,517	-	100,517
Buy back of share capital	(199,000)	-	-	5,612	(193,388)
At 31 March 2018	<u>6,275,381</u>	<u>3,712,396</u>	<u>8,859,959</u>	<u>62,132</u>	<u>18,909,868</u>

**Company**

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 April 2017	2,534,199	3,712,396	3,206,854	56,520	9,509,969
Profit for the year	1,045,474				1,045,474
Tax effect on revaluations	-	-	30,434	-	30,434
Buy back of share capital	(199,000)	-	-	5,612	(193,388)
At 31 March 2018	<u>3,380,673</u>	<u>3,712,396</u>	<u>3,237,288</u>	<u>62,132</u>	<u>10,392,489</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018

## 25. RELATED PARTY DISCLOSURES

During the year ADL plc paid £3,000 to Mrs P L Jackson, a director, for the rent of the company's head office (2017: £12,000). The amount outstanding at the balance sheet date was £nil (2017: £nil).

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, £100,000 (2017: £209,957) was due from Oakhurst Court Limited to ADL PLC under that agreement. At the year end ADL PLC was owed a total of £215,351 (2017: £749,238) 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, £375,582 (2017: £258,202) was due from Charlton Court Limited to ADL PLC under that agreement. At the year end ADL PLC was owed a total of £206,775 from Charlton Court Limited (2017: £22,555).

## 26. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr W J Davies.

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.

## 27. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

## Group

	31.3.18	31.3.17
	£	£
Profit for the financial year	2,076,990	2,313,092
Other comprehensive income relating to the year (net)	(92,871)	3,257,748
Cancellation of own shares acquired	(5,612)	(20,488)
<b>Net addition to shareholders' funds</b>	<b>1,978,507</b>	<b>5,550,352</b>
Opening shareholders' funds	18,391,055	12,840,703
<b>Closing shareholders' funds</b>	<b>20,369,562</b>	<b>18,391,055</b>

## Company

	31.3.18	31.3.17
	£	£
Profit for the financial year	1,045,474	1,291,976
Other comprehensive income relating to the year (net)	(162,954)	(202,805)
Tax effect on indexed property		
Cancellation of own shares acquired	(5,612)	(20,488)
<b>Net addition to shareholder funds</b>	<b>876,908</b>	<b>1,068,683</b>
Opening shareholder funds	10,975,275	9,906,592
<b>Closing shareholder funds</b>	<b>11,852,183</b>	<b>10,975,275</b>

**CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2018**

	31.3.18		31.3.17	
	£	£	£	£
<b>Turnover</b>				
Sales	13,583,752		13,813,677	
Recharges	37,515		52,287	
Other Income	<u>14,517</u>		<u>35,822</u>	
		13,635,784		13,901,786
<b>Cost of sales</b>				
Opening stock	16,000		16,000	
Cleaning	102,261		96,243	
Food and catering	582,942		581,605	
Laundry	160,856		180,362	
Medical expenses	66,152		68,635	
Resident activities	70,999		50,982	
Wages	6,915,507		6,808,257	
Social security	420,714		392,016	
Pensions	24,422		-	
Subcontractors	100,174		107,373	
Amortisation of intangible fixed assets	<u>28,634</u>		<u>28,634</u>	
	8,488,661		8,330,107	
Closing stock	<u>(16,000)</u>		<u>(16,000)</u>	
		8,472,661		8,314,107
<b>GROSS PROFIT</b>		5,163,123		5,587,679
<b>Other income</b>				
Share of joint venture profits		<u>99,336</u>		<u>99,291</u>
		5,262,459		5,686,970
<b>Expenditure</b>				
Rent	3,000		12,000	
Waste Disposal	71,437		69,211	
Rates and water	142,668		145,506	
Electricity	179,282		187,289	
Gas	150,050		178,216	
Directors' salaries	225,000		225,000	
Directors' social security	27,625		27,676	
Directors' pensions paid	40,000		75,000	
Wages	132,467		135,094	
Social security	14,365		14,639	
Telephone	27,456		31,695	
Printing, post and stationery	44,319		40,463	
Travelling	63,288		68,195	
Licences and insurance	56,054		50,788	
Repairs and renewals	526,369		380,780	
Training	-		2,685	
Sundry expenses	10,904		1,601	
Accountancy	39,530		38,400	
Nursing/Overhead recharges	(475,582)		(467,293)	
Registration fees	77,048		83,325	
Legal & Professional	76,225		128,391	
Auditors' remuneration	55,080		53,079	
Auditors' remuneration for non audit work	27,026		32,748	
Depreciation of tangible fixed assets	730,886		705,278	
Bad debts	<u>-</u>		<u>206</u>	
		2,244,497		2,219,972
<b>Carried forward</b>		3,017,962		3,466,998

This page does not form part of the statutory financial statements

ADL PLC (REGISTERED NUMBER: 02463465)

CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2018

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	31.3.18		31.3.17	
	£	£	£	£
Brought forward		3,017,962		3,466,998
<b>Finance costs</b>				
Bank charges	19,161		19,491	
Partnership profit share	139,135		230,783	
Bank loan interest	208,979		223,915	
		<u>367,275</u>		<u>474,189</u>
<b>NET PROFIT</b>		<u>2,650,687</u>		<u>2,992,809</u>

This page does not form part of the statutory financial statements