

ROTHERWOOD GROUP LIMITED
Parent Company Accounts for
FENNELL FINANCIAL LIMITED, 06031142

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2016

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ROTHERWOOD GROUP LIMITED

COMPANY INFORMATION

Directors	R Clardge (appointed 31 March 2015) J Fennell (appointed 31 March 2015)
Registered number	09519658
Registered office	MHA MacIntyre Hudson 11 Merus Court Leicester LE19 1RJ
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors 11 Merus Court Meridian Business Park Leicester LE19 1RJ

ROTHERWOOD GROUP LIMITED

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ROTHERWOOD GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2016

Introduction

The principal activity of the Group was the provision of care to the elderly. The principal activity of the Company is that of a holding company.

Business review

The Group experienced a challenging period due to the Group restructure, however the directors have created a strong platform to take the Group forward. The Group has delivered a satisfactory result for the current period. Further to Group acquisitions, the Group continues its capital investment program to ensure it can maintain value for service users.

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. Risks are formally reviewed by the board and appropriate processes are put in place to monitor and mitigate them.

The key business risks affecting the Group are set out below.

Credit Risk

New credit customers are only accepted after they have been approved by the credit controller. The Group undertakes perpetual review processes to make sure debts are collected in a timely manner.

Liquidity Risk

The Group is financed with appropriate long-term and short-term finance to match the needs of the business.

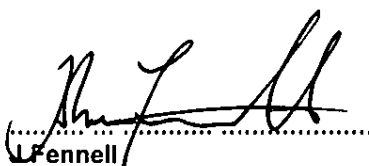
Financial and non-financial key performance indicators

Key performance indicators used by the group are as follows:

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

Details of the key performance indicators are shown in the Consolidated statement of comprehensive income.

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


.....
J Fennell
Director

Date 09/12/2016

ROTHERWOOD GROUP LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2016

The directors present their report and the audited financial statements of the Group and Company for the period ended 31 March 2016

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Group financial statements and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

Results and dividends

The profit for the period, after taxation, amounted to £938,790.

During the period, the directors recommended dividends amounting to £300,000.

Directors

The directors who served during the period were

R Claridge (appointed 31 March 2015)

J Fennell (appointed 31 March 2015)

Future developments

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

ROTHERWOOD GROUP LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2016**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information

Post balance sheet events

On 16 May 2016, Rotherwood Healthcare Limited, a subsidiary of Rotherwood Group Limited, purchased the assets and trade of Roden Hall Nursing Home for £580,000. The trade will be carried out within Rotherwood Healthcare (Roden Hall) Limited. Rotherwood Healthcare (Roden Hall) Limited will form part of the Rotherwood Group going forwards.

Auditors

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

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


.....
J. Fennell
Director

Date 09/12/2016.

ROTHERWOOD GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROTHERWOOD GROUP LIMITED

We have audited the financial statements of Rotherwood Group Limited for the period ended 31 March 2016, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the 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 Group Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 March 2016 and of the Group's profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

ROTHERWOOD GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROTHERWOOD GROUP LIMITED

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



Alan Herbert FCA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ
Date

21 December 2016

ROTHERWOOD GROUP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2016**

	Note	Period ended 31 March 2016 £
Turnover	4	6,255,866
Cost of sales		(4,301,956)
Gross profit		1,953,910
Administrative expenses		(1,658,982)
Other operating income	5	19,391
Operating profit	6	314,319
Interest receivable and similar income	10	2
Interest payable and expenses	11	(244,774)
Profit before taxation		69,547
Tax on profit	12	869,243
Profit for the period		938,790
Other comprehensive income		-
Total comprehensive income for the period		938,790
Profit attributable to		
Owners of the parent Company		938,790
		938,790
Total comprehensive income attributable to		
Owners of the parent Company		938,790
		938,790

There were no recognised gains and losses for 2016 other than those included in the consolidated profit and loss account

The notes on pages 12 to 33 form part of these financial statements

ROTHERWOOD GROUP LIMITED
REGISTERED NUMBER 09519658

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2016

	Note	2016 £
Fixed assets		
Intangible assets	14	1,188,832
Tangible assets	16	14,546,054
		<u>15,734,886</u>
Current assets		
Debtors amounts falling due within one year	18	1,837,495
Cash at bank and in hand	19	694,798
		<u>2,532,293</u>
Creditors amounts falling due within one year	20	<u>(4,914,338)</u>
Net current (liabilities)/assets		<u>(2,382,045)</u>
Total assets less current liabilities		<u>13,352,841</u>
Creditors amounts falling due after more than one year	21	(11,714,051)
Provisions for liabilities		
Net assets		<u><u>1,638,790</u></u>
Capital and reserves		
Called up share capital	24	1,000,000
Profit and loss account	25	638,790
Equity attributable to owners of the parent Company		<u><u>1,638,790</u></u>

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


J Fennell
Director

Date 09/12/2016.


The notes on pages 12 to 33 form part of these financial statements

ROTHERWOOD GROUP LIMITED
REGISTERED NUMBER.09519658

COMPANY BALANCE SHEET
AS AT 31 MARCH 2016

	Note	2016 £
Fixed assets		
Tangible assets	16	6,527
Investments	17	1,000,000
		<u>1,006,527</u>
Current assets		
Debtors amounts falling due within one year	18	410,021
Cash at bank and in hand	19	53,681
		<u>463,702</u>
Creditors amounts falling due within one year	20	(456,198)
		<u>7,504</u>
Net current assets		<u>7,504</u>
Total assets less current liabilities		<u>1,014,031</u>
Net assets excluding pension asset		<u>1,014,031</u>
Net assets		<u><u>1,014,031</u></u>
Capital and reserves		
Called up share capital	24	1,000,000
Profit and loss account	25	14,031
		<u><u>1,014,031</u></u>

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


J. Pennell
Director

Date 09/12/2016.

The notes on pages 12 to 33 form part of these financial statements

ROTHERWOOD GROUP LIMITED

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

	Share capital £	Retained earnings £	Equity attributable to owners of parent Company £	Total equity £
Comprehensive income for the period				
Profit for the period	-	938,790	938,790	938,790
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	938,790	938,790	938,790
Dividends Equity capital	-	(300,000)	(300,000)	(300,000)
Shares issued during the period	1,000,000	-	1,000,000	1,000,000
Total transactions with owners	1,000,000	(300,000)	700,000	700,000
At 31 March 2016	1,000,000	638,790	1,638,790	1,638,790

The notes on pages 12 to 33 form part of these financial statements

ROTHERWOOD GROUP LIMITED

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

	Share capital £	Retained earnings £	Total equity £
Comprehensive income for the period			
Profit for the period	-	314,031	314,031
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	314,031	314,031
Contributions by and distributions to owners			
Dividends	-	(300,000)	(300,000)
Equity capital	1,000,000	-	1,000,000
Shares issued during the period			
Total transactions with owners	1,000,000	(300,000)	700,000
At 31 March 2016	1,000,000	14,031	1,014,031

The notes on pages 12 to 33 form part of these financial statements

ROTHERWOOD GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2016**

	2016 £
Cash flows from operating activities	
Profit for the financial period	938,790
Adjustments for.	
Amortisation of intangible assets	131,212
Depreciation of tangible assets	398,551
Interest paid	244,774
Interest received	(2)
Taxation	7,071
Increase in debtors	(1,837,495)
Increase in creditors	4,194,209
Corporation tax	258,069
Net cash generated from operating activities	<u>4,335,179</u>
Cash flows from investing activities	
Purchase of intangible fixed assets	(1,320,044)
Purchase of tangible fixed assets	(13,940,230)
Purchase of tangible fixed assets on acquisition of subsidiary	(1,004,375)
Interest received	2
Net cash from investing activities	<u>(16,264,647)</u>
Cash flows from financing activities	
Issue of ordinary shares	1,000,000
New secured loans	12,169,040
Dividends paid	(300,000)
Interest paid	(244,774)
Net cash used in financing activities	<u>12,624,266</u>
Net increase / (decrease) in cash and cash equivalents	<u>694,798</u>
Cash and cash equivalents at the end of period	<u><u>694,798</u></u>
Cash and cash equivalents at the end of period comprise:	
Cash at bank and in hand	694,798
	<u><u>694,798</u></u>

The notes on pages 12 to 33 form part of these financial statements

ROTHERWOOD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

1. General information

The entity is a members' liability company which is incorporated in the UK. The registered office is 11 Merus Court, Meridian Business Park, Leicester, LE19 1RJ.

The Company was incorporated on 31 March 2015 and commenced trading on 1 July 2015. As a result there are no comparative figures.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

After reviewing the Group's forecasts and projections, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

The Group's functional and presentational currency is British Sterling (£).

Information on the impact of first-time adoption of FRS 102 is given in note 30.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of Rotherwood Group Limited and its own subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102.

ROTHERWOOD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

2 Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably,
- it is probable that the Group will receive the consideration due under the contract,
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and,
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and Loss Account over its useful economic life of ten years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

ROTHERWOOD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

2. Accounting policies (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives

Depreciation is provided on the following basis

Freehold property	- 2% straight line
Leasehold improvements	- 2% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 20% reducing balance
Office equipment	- 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the Consolidated Statement of Comprehensive Income

2.6 Operating leases Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.8 Debtors

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

ROTHERWOOD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

2 Accounting policies (continued)

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.10 Creditors

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

2.11 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Dividends

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

2.13 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.14 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

2.15 Borrowing costs

All borrowing costs are recognised in the Profit and Loss Account in the period in which they are incurred.

ROTHERWOOD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.16 Provisions for liabilities

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

Provisions are charged as an expense to the Profit and Loss Account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties

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

2.17 Taxation

Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits,
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met, and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

2. Accounting policies (continued)

2.18 Employee benefits

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

(i) Short term benefits

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

(ii) Defined contribution pension plans

The Group operates a number of defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

(iii) Annual bonus plan

The Group operates a number of annual bonus plans for employees. An expense is recognised in the Profit and Loss Account when the Group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

2.19 Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the following exemptions:

- i) 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's cash flows,
- ii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures,
- iii) from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

2. Accounting policies (continued)

2.20 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

3 Judgments in applying accounting policies and key sources of estimation uncertainty

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

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

i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets

ii) Impairment of debtors

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of the debtors and historical experience. See note 18 for the net carrying amount of the debtors and associated impairment provision

iii) Impairment of intangible assets and goodwill

The Group considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows

ROTHERWOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

4. Analysis of turnover

An analysis of turnover by class of business is as follows

	Period ended 31 March 2016 £
Rendering of services	6,255,866
	<u>6,255,866</u>

Analysis of turnover by country of destination

	Period ended 31 March 2016 £
United Kingdom	6,255,866
	<u>6,255,866</u>

5. Other operating income

	Period ended 31 March 2016 £
Net rents receivable	19,391
	<u>19,391</u>

ROTHERWOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

6. Operating profit

The operating profit is stated after charging

	Period ended 31 March 2016 £
Depreciation of tangible fixed assets	398,551
Amortisation of intangible assets, including goodwill	131,212
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	39,000
Other operating lease rentals	13,303
Defined contribution pension cost	10,561
	<hr/>

7. Auditors' remuneration

	Period ended 31 March 2016 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	39,000
Fees payable to the Group's auditor and its associates in respect of:	
Other services relating to taxation	7,500
All other services	16,000
	<hr/>

ROTHERWOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

8. Employees

Staff costs, including directors' remuneration, were as follows

	Period ended 31 March 2016 £
Wages and salaries	3,008,114
Social security costs	49,949
Cost of defined contribution scheme	10,561
	<u>3,068,624</u>

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

	Period ended 31 March 2016 No
Administrative staff	10
Care staff	230
	<u>240</u>

9. Directors' remuneration

	Period ended 31 March 2016 £
Directors' emoluments	11,418
	<u>11,418</u>

During the year retirement benefits were accruing to 2 directors in respect of defined contribution pension schemes

ROTHERWOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

10 Interest receivable

	Period ended 31 March 2016 £
Other interest receivable	2
	<u>2</u>

11. Interest payable and similar charges

	Period ended 31 March 2016 £
Bank interest payable	244,223
Other loan interest payable	551
	<u>244,774</u>

12 Taxation

	Period ended 31 March 2016 £
Corporation tax	
Current tax on profits for the year	1,071
Adjustments in respect of previous periods	6,000
	<u>7,071</u>
Total current tax	<u>7,071</u>
Deferred tax	
Origination and reversal of timing differences	(876,314)
Total deferred tax	<u>(876,314)</u>
Taxation on (loss)/profit on ordinary activities	<u>(869,243)</u>

ROTHERWOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

12. Taxation (continued)**Factors affecting tax charge for the period**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 20%. The differences are explained below

	Period ended 31 March 2016 £
Profit on ordinary activities before tax	69,547
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20%	13,909
Effects of	
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	17,225
Capital allowances for period in excess of depreciation	41,324
Utilisation of tax losses	(68,342)
Unrelieved loss on disposal of operation	4,980
Other tax credit on exceptional items	(876,314)
Other differences leading to an increase / (decrease) in the tax charge	(2,025)
Total tax charge for the period	(869,243)

Factors that may affect future tax charges

There were no factors that may affect future tax charges

13 Dividends

	2016 £
Dividends on ordinary shares	300,000
	300,000

ROTHERWOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

14. Intangible assets**Group**

	Trademarks	Goodwill	Total
	£	£	£
Cost			
Additions	17,588	1,302,456	1,320,044
At 31 March 2016	17,588	1,302,456	1,320,044
Amortisation			
Charge for the year	962	130,250	131,212
At 31 March 2016	962	130,250	131,212
Net book value			
At 31 March 2016	16,626	1,172,206	1,188,832

15. Parent Company Profit for the period

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the period was £314,301.

ROTHERWOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

16 Tangible fixed assets

Group

	Freehold property £	Leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation						
Additions	12,968,500	29,038	15,356	902,739	24,597	13,940,230
Acquisition of subsidiary	998,902	-	-	3,804	1,669	1,004,375
At 31 March 2016	<u>13,967,402</u>	<u>29,038</u>	<u>15,356</u>	<u>906,543</u>	<u>26,266</u>	<u>14,944,605</u>
Depreciation						
Charge owned for the period	232,705	249	2,879	157,935	4,783	398,551
At 31 March 2016	<u>232,705</u>	<u>249</u>	<u>2,879</u>	<u>157,935</u>	<u>4,783</u>	<u>398,551</u>
Net book value						
At 31 March 2016	<u>13,734,697</u>	<u>28,789</u>	<u>12,477</u>	<u>748,608</u>	<u>21,483</u>	<u>14,546,054</u>

Land with a value of £2,332,175 is included in freehold property and is not depreciated

Company

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
Additions	5,103	2,159	7,262
At 31 March 2016	<u>5,103</u>	<u>2,159</u>	<u>7,262</u>
Depreciation			
Charge owned for the period	690	45	735
At 31 March 2016	<u>690</u>	<u>45</u>	<u>735</u>
At 31 March 2016	<u>4,413</u>	<u>2,114</u>	<u>6,527</u>

ROTHERWOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

17. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
Additions	1,000,000
At 31 March 2016	<u>1,000,000</u>
Net book value	
At 31 March 2016	<u><u>1,000,000</u></u>

Fennell Financial Limited No. 06031142 has taken exemption from audit under S479A of the Companies Act 2006. In accordance with this subsection, Rotherwood Group Limited has given a guarantee as set out in S479C over the liabilities of this company.

On 30 June 2015, the company purchased the entire share capital of Claridge Nursing Homes (Lynhales Hall) Limited and Fennell Financial Limited. On 1 April 2015, the company purchased the entire share capital of Rotherwood Healthcare Limited and Rotherwood Financial Limited. On 15 July 2015, the company purchased the entire share capital of Rotherwood People Limited. On 19 October 2015, the company purchased the entire share capital of Rotherwood Training and Development Limited. Business combinations have been accounted for as per note 2.2.

ROTHERWOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

18. Debtors

	Group 2016 £	Company 2016 £
Trade debtors	1,475,747	-
Amounts owed by group undertakings	-	280,218
Other debtors	233,757	126,715
Prepayments and accrued income	117,907	3,088
Tax recoverable	10,084	-
	<u>1,837,495</u>	<u>410,021</u>

19. Cash and cash equivalents

	Group 2016 £	Company 2016 £
Cash at bank and in hand	694,798	53,681
	<u>694,798</u>	<u>53,681</u>

20. Creditors Amounts falling due within one year

	Group 2016 £	Company 2016 £
Bank loans	454,989	-
Trade creditors	443,004	23,974
Amounts owed to group undertakings	-	431,702
Corporation tax	265,140	-
Taxation and social security	81,019	-
Other creditors	3,267,962	-
Accruals and deferred income	402,224	522
	<u>4,914,338</u>	<u>456,198</u>

Secured loans

The bank loan is secured by a legal charge over all of the property and undertakings of the group under a cross guarantee and debenture

ROTHERWOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

21. Creditors Amounts falling due after more than one year

	Group 2016 £	Company 2016 £
Bank loans	11,714,051	-
	11,714,051	-

Secured loans

The bank loan is secured by a legal charge over all of the property and undertakings of the group under a cross guarantee and debenture

22 Loans

Analysis of the maturity of loans is given below

	Group 2016 £	Company 2016 £
Amounts falling due within one year		
Bank loans	454,989	-
Amounts falling due 1-2 years		
Bank loans	459,503	-
Amounts falling due 2-5 years		
Bank loans	11,254,548	-

ROTHERWOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

23 Financial instruments

	Group 2016 £	Company 2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	1,709,504	406,933
	<u>1,709,504</u>	<u>406,933</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(12,992,845)	(456,198)
	<u>(12,992,845)</u>	<u>(456,198)</u>

Group financial assets measured at amortised cost comprise trade debtors of £1,475,747 and other debtors of £233,757

Company financial assets measured at amortised cost comprise amounts owed by group of £280,218 and other debtors £126,715

Group financial liabilities measured at amortised cost comprise bank loans of £12,169,040, trade creditors of £443,004, other creditors of £54,969 and accruals of £325,832

Company financial liabilities measured at amortised cost comprise trade creditors of £23,974, amounts owed to group of £431,702 and accruals of £522

ROTHERWOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

24. Share capital**2016
£****Allotted, called up and fully paid**

1,000,000 Ordinary shares of £1 each

1,000,000

During the period, the Company issued 1,000,000 ordinary shares at a nominal value of £1 each

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

25 Reserves**Profit and loss account**

Includes all current period retained profits and losses. All amounts are distributable

26 Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £10,561. Contributions totalling £4,752 were payable to the fund at the Balance Sheet date.

ROTHERWOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

27 Transactions with directors

Directors loans are interest free and repayable on demand. All transactions were deemed by the board to be conducted on an arms length basis.

The following directors loans existed during the period ended 31 March 2016

A summary of the advances and credits subsisted during the year

	Amounts outstanding at 31 March 2015 £	Amounts introduced £	Amounts withdrawn £	Amounts outstanding at 31 March 2016 £
Group				
J Fennell	-	(49,721)	73,886	24,165
R Clardige	-	(3,227,088)	155,095	(3,071,993)
Company				
J Fennell	-	(22,137)	42,651	20,514
R Clardige	-	(55,000)	130,094	75,094

ROTHERWOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

28. Related party transactions

Transactions and balances with related parties are as follows

	2016 £
Loans due from key management personnel	24,165
Loans due to key management personnel	3,071,993
Dividends paid to Directors	225,000
Balances owed from other related parties	32,842
Loans due from shareholders	24,165
	<hr/> 3,378,165 <hr/>

Total key management personnel remuneration for the year was £11,418

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

All transactions are considered to be at arms length

The Group has taken advantage of the exemption under Financial Report Standard 102, section 33 1A from the requirement to disclose transactions with Group companies on the grounds that all subsidiaries are wholly owned by members of the Group

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Report Standard 102, section 33

29. Controlling party

The directors do not consider there to be an ultimate controlling party in the current period

30. First time adoption of FRS 102

As this is the group's first period of trade, there is no impact on previously reported equity or profit or loss as a result of adopting FRS 102