

# Financial Statements Tanglewood Care Homes Limited

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For the for the period from 31 August 2011 to 31 January 2012



Registered number: 07745826

## Company Information

**Director** M Shelbourn

**Company number** 07745826

**Registered office** 2 Endeavour Park, Wyberton  
Wyberton  
Boston  
Lincolnshire  
PE21 7TQ

**Auditor** Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
2 Broadfield Court  
Sheffield  
South Yorkshire  
S8 0XF

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## Director's Report

For the for the period from 31 August 2011 to 31 January 2012

The director presents his report and the financial statements for the period ended 31 January 2012

### **Principal activities**

The company was incorporated on 18 August 2011

The principal activity of the company is that of a holding company

### **Results**

The profit for the period, after taxation, amounted to £993,771

### **Directors**

The directors who served during the period were

G R Stephens (appointed 18 August 2011 & resigned 18 August 2011)

### **Director's responsibilities statement**

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 group will continue in business

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

### **Provision of information to auditor**

The director at the time when this Director's report is approved has confirmed that

- so far as that he is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that he has taken all the steps that ought to have been taken as a he in order to be aware of any information needed by the company and the group's auditor in connection with preparing its report and to establish that the company and the group's auditor is aware of that information

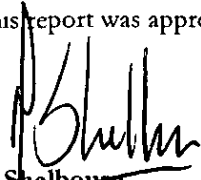
## Director's Report

For the for the period from 31 August 2011 to 31 January 2012

### **Auditor**

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved on 8 August 2012 and signed by the sole director



M Shelbourn  
Director

## Independent Auditor's Report to the Members of Tanglewood Care Homes Limited

We have audited the financial statements of Tanglewood Care Homes Limited for the period ended 31 January 2012, which comprise the group Profit and loss account, the group and company Balance sheets, the group Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditor's 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 director and auditor**

As explained more fully in the Director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 January 2012 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 Director's report for the financial period for which the financial statements are prepared is consistent with the financial statements.



## Independent Auditor's Report to the Members of Tanglewood Care Homes 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

A handwritten signature in black ink, appearing to read "Paul Houghton UK LLP".

Paul Houghton (Senior statutory auditor)  
for and on behalf of

**Grant Thornton UK LLP**  
Chartered Accountants  
Statutory Auditor  
Sheffield

8 August 2012

## Consolidated Profit and Loss Account

For the for the period from 31 August 2011 to 31 January 2012

		For the period from 31 August 2011 to 31 January 2012 £
	Note	
<b>Turnover</b>	1,2	1,944,387
Cost of sales		(1,099,171)
		<hr/>
<b>Gross profit</b>		845,216
Administrative expenses		(1,142,963)
Amortisation of Goodwill		1,489,639
Total administrative expenses		<hr/> 346,676 <hr/>
<b>Operating profit</b>	3	1,191,892
Interest payable and similar charges	7	(143,580)
		<hr/>
<b>Profit on ordinary activities before taxation</b>		1,048,312
Tax on profit on ordinary activities	8	(54,541)
		<hr/>
<b>Profit for the financial period</b>	18	<hr/> 993,771 <hr/>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 other than those included in the Profit and loss account

The notes on pages 9 to 22 form part of these financial statements



## Consolidated Balance Sheet

As at 31 January 2012

	Note	£	2012 £
<b>Fixed assets</b>			
Tangible assets	10		21,754,974
<b>Current assets</b>			
Stocks	12	40,942	
Debtors	13	1,858,992	
Cash at bank and in hand		2,876	
		<u>1,902,810</u>	
<b>Creditors</b> amounts falling due within one year	14	<u>(1,522,387)</u>	
<b>Net current assets</b>			<u>380,423</u>
<b>Total assets less current liabilities</b>			<u>22,135,397</u>
<b>Creditors</b> amounts falling due after more than one year	15		(14,212,190)
<b>Provisions for liabilities</b>			
Deferred tax	16		<u>(76,964)</u>
<b>Net assets</b>			<u><u>7,846,243</u></u>
<b>Capital and reserves</b>			
Called up share capital	17		100
Share premium account	18		7,182,372
Profit and loss account	18		<u>663,771</u>
<b>Shareholders' funds</b>	19		<u><u>7,846,243</u></u>

The financial statements were approved and authorised for issue and were signed by the sole director on 8 August 2012

**M Shelbourn**  
Director



The notes on pages 9 to 22 form part of these financial statements

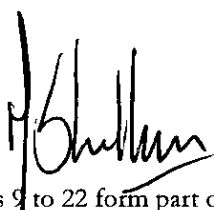
## Company Balance Sheet

As at 31 January 2012

	Note	£	2012 £
<b>Fixed assets</b>			
Investments	11		14,364,744
<b>Current assets</b>			
Cash at bank		19	
<b>Creditors</b> amounts falling due within one year	14	(140,015)	
<b>Net current liabilities</b>			(139,996)
<b>Total assets less current liabilities</b>			14,224,748
<b>Creditors</b> amounts falling due after more than one year	15		(7,167,372)
<b>Net assets</b>			7,057,376
<b>Capital and Reserves</b>			
Called up share capital	17		100
Share premium account	18		7,182,372
Profit and loss account			(125,096)
<b>Shareholders' funds</b>	19		7,057,376

The financial statements were approved and authorised for issue and were signed by the sole director on 8 August 2012

**M Shelbourn**  
Director



The notes on pages 9 to 22 form part of these financial statements

## Consolidated Cash Flow Statement

For the for the period from 31 August 2011 to 31 January 2012

		For the period from 31 August 2011 to 31 January 2012 £
	Note	
Net cash flow from operating activities	22	228,155
Returns on investments and servicing of finance	23	(93,580)
Taxation		159,294
Capital expenditure and financial investment	23	(18,329)
Acquisitions and disposals	23	(5,075,875)
Equity dividends paid		(330,000)
<b>Cash outflow before financing</b>		<b>(5,130,335)</b>
Financing	23	5,044,637
<b>Decrease in cash in the period</b>		<b>(85,698)</b>

## Reconciliation of Net Cash Flow to Movement in Net Funds/Debt

For the for the period from 31 August 2011 to 31 January 2012

	For the period from 31 August 2011 to 31 January 2012 £
Decrease in cash in the period	(85,698)
Cash inflow from increase in debt and lease financing	(5,044,537)
<b>Change in net debt resulting from cash flows</b>	<b>(5,130,235)</b>
Other non-cash changes	(9,657,372)
	-
<b>Movement in net debt in the period</b>	<b>(14,787,607)</b>
<b>Net debt at 31 January 2012</b>	<b>(14,787,607)</b>

The notes on pages 9 to 22 form part of these financial statements

# Notes to the Financial Statements

For the for the period from 31 August 2011 to 31 January 2012

## **1. Accounting Policies**

### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

### **1.2 Basis of consolidation**

The financial statements consolidate the accounts of Tanglewood Care Homes Limited and all of its subsidiary undertakings ('subsidiaries')

The results of subsidiaries acquired during the period are included from the effective date of acquisition

### **1.3 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts

### **1.4 Intangible fixed assets and amortisation**

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life. Negative goodwill is written back to the profit and loss account to match the recovery of the non-monetary assets acquired.

Amortisation is provided at the following rates

Goodwill	-	20 years
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### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Fixtures & fittings	-	20% Reducing Balance
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### **1.6 Investments**

Investments in subsidiaries are valued at cost less provision for impairment. The company balance sheet shows the investment in group companies at the fair value at the date of acquisition with the excess of fair value over nominal value shares issued on acquisition to the share premium account in accordance with section 610 of the Companies Act 2006

## **Notes to the Financial Statements**

**For the for the period from 31 August 2011 to 31 January 2012**

### **1. Accounting Policies (continued)**

#### **1 7 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### **1 8 Operating leases**

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

#### **1 9 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

#### **1 10 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

#### **1 11 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

### **2. Turnover**

The whole of the turnover is attributable to the principal activity of the group being the management of care homes.

All turnover arose within the United Kingdom.

## Notes to the Financial Statements

For the for the period from 31 August 2011 to 31 January 2012

### **3. Operating profit**

The operating profit is stated after charging/(crediting)

	For the period from 31 August 2011 to 31 January 2012 £
Depreciation of tangible fixed assets	
- owned by the group	208,132
- held under finance leases	5,063
Operating lease rentals	
- plant and machinery	10,380
- other operating leases	30,400
Amortisation of government grants	(7,586)
	<hr/>

### **4. Auditors' remuneration**

	For the period from 31 August 2011 to 31 January 2012 £
Fees payable to the company's auditor for the audit of the company's annual accounts	1,250
Fees payable to the company's auditor and its associates in respect of	
The auditing of accounts of associates of the company pursuant to legislation	10,500
Other services relating to taxation	3,525
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# Notes to the Financial Statements

For the for the period from 31 August 2011 to 31 January 2012

## 5. Staff costs

Staff costs, including director's remuneration, were as follows

	For the period from 31 August 2011 to 31 January 2012 £
Wages and salaries	1,029,166
Social security costs	75,321
Other pension costs	360,000
	<u>1,464,487</u>

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

	For the period from 31 August 2011 to 31 January 2012 No.
Management	10
Administration	14
Nursing staff, care assistants and other	443
	<u>467</u>

## 6. Director's remuneration

	For the period from 31 August 2011 to 31 January 2012 £
Emoluments	<u>68,089</u>
Company pension contributions to defined contribution pension schemes	<u>45,000</u>

During the period retirement benefits were accruing to 1 director in respect of defined contribution pension schemes

## Notes to the Financial Statements

For the for the period from 31 August 2011 to 31 January 2012

### **7. Interest payable**

	For the period from 31 August 2011 to 31 January 2012 £
On bank loans and overdrafts	92,496
On other loans	50,000
On finance leases and hire purchase contracts	1,084
	<hr/>
	143,580
	<hr/>

### **8. Taxation**

	For the period from 31 August 2011 to 31 January 2012 £
<b>Analysis of tax charge in the period</b>	
<b>Current tax</b> (see note below)	
UK corporation tax charge on profit for the period	53,855
<b>Deferred tax</b> (see note 16)	
Origination and reversal of timing differences	686
	<hr/>
<b>Tax on profit on ordinary activities</b>	54,541
	<hr/>



# Notes to the Financial Statements

For the for the period from 31 August 2011 to 31 January 2012

## 8. 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 26%. The differences are explained below

	For the period from 31 August 2011 to 31 January 2012 £
Profit on ordinary activities before tax	1,048,312
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26%	272,561
Effects of	
Non-tax deductible amortisation of goodwill and impairment	(387,306)
Unrelieved tax losses carried forward	41,881
Group relief	126,719
<b>Current tax charge for the period (see note above)</b>	<b>53,855</b>

## 9. Intangible fixed assets

	Negative goodwill £
<b>Group</b>	
<b>Cost</b>	
Additions	(1,489,639)
At 31 January 2012	(1,489,639)
<b>Amortisation</b>	
Impairment charge	(1,489,639)
At 31 January 2012	(1,489,639)
<b>Net book value</b>	
At 31 January 2012	-

# Notes to the Financial Statements

For the for the period from 31 August 2011 to 31 January 2012

## 10. Tangible fixed assets

Group	Freehold property £	Motor vehicles £	Fixtures & fittings £	Total £
<b>Cost</b>				
Additions	-	-	18,329	18,329
Disposals	-	(15,620)	-	(15,620)
On acquisition of subsidiaries	21,073,481	105,179	764,436	21,943,096
At 31 January 2012	21,073,481	89,559	782,765	21,945,805
<b>Depreciation</b>				
Charge for the period	154,515	5,063	41,371	200,949
On disposals	-	(10,118)	-	(10,118)
At 31 January 2012	154,515	(5,055)	41,371	190,831
<b>Net book value</b>				
At 31 January 2012	20,918,966	94,614	741,394	21,754,974

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

<b>Group</b>	2012 £
Motor vehicles	62,188
Furniture, fittings and equipment	1,642
	<u>63,830</u>

## 11. Fixed asset investments

<b>Company</b>	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
Additions	14,364,744
At 31 January 2012	<u>14,364,744</u>
<b>Net book value</b>	
At 31 January 2012	<u>14,364,744</u>

Details of the principal subsidiaries can be found under note number 27

# Notes to the Financial Statements

For the for the period from 31 August 2011 to 31 January 2012

## 12. Stocks

	<u>Group</u>
	2012
	£
Finished goods and goods for resale	40,942
	<u><u>          </u></u>

## 13. Debtors

	<u>Group</u>
	2012
	£
Trade debtors	214,258
Amounts owed by related undertakings	1,595,461
Prepayments and accrued income	49,273
	<u><u>1,858,992</u></u>

## 14. Creditors:

Amounts falling due within one year

	<u>Group</u>	<u>Company</u>
	2012	2012
	£	£
Bank loans and overdrafts	88,574	-
Other loans	460,000	-
Net obligations under finance leases and hire purchase contracts	29,719	-
Trade creditors	165,382	-
Amounts owed to group undertakings	-	90,015
Corporation tax	211,093	-
Social security and other taxes	54,727	-
Director's loan account	62,946	-
Other creditors	9,500	-
Accruals and deferred income	440,446	50,000
	<u><u>1,522,387</u></u>	<u><u>140,015</u></u>

# Notes to the Financial Statements

For the for the period from 31 August 2011 to 31 January 2012

## 15. Creditors:

### Amounts falling due after more than one year

	<u>Group</u>	<u>Company</u>
	2012	2012
	£	£
Bank loans	12,000,000	4,985,000
Other loans	2,182,372	2,182,372
Net obligations under finance leases and hire purchase contracts	29,818	-
	<u>14,212,190</u>	<u>7,167,372</u>

Included within the above are amounts falling due as follows

	<u>Group</u>	<u>Company</u>
	2012	2012
	£	£
<b>Between one and two years</b>		
Bank loans	12,000,000	4,985,000
Other loans	2,182,372	2,182,372
	<u></u>	<u></u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	<u>Group</u>	<u>Company</u>
	2012	2012
	£	£
Between one and five years	29,818	-
	<u></u>	<u></u>

## 16. Deferred taxation

	<u>Group</u>
	2012
	£
At beginning of period	-
On acquisition of subsidiaries	686
On acquisition of subsidiary	76,278
	<u></u>
At end of period	<u>76,964</u>

# Notes to the Financial Statements

For the for the period from 31 August 2011 to 31 January 2012

## 16. Deferred taxation (continued)

The provision for deferred taxation is made up as follows

	<u>Group</u>
	2012
	£
Accelerated capital allowances	76,964
	<u><u>76,964</u></u>

## 17. Share capital

	2012
	£
Allotted, called up and fully paid	
99,999 Ordinary shares of £0.001 each	100
	<u><u>100</u></u>

On 18 August 2011 the company issued 99,999 Ordinary shares of 0.1p as consideration for shares in Tanglewood Lincolnshire Limited

## 18. Reserves

Group	Share premium account £	Profit and loss account £
Profit for the period	-	993,771
Dividends Equity capital	-	(330,000)
Premium on shares issued during the period	7,182,372	-
	<u>7,182,372</u>	<u>663,771</u>
At 31 January 2012	<u><u>7,182,372</u></u>	<u><u>663,771</u></u>

The share premium arising on the investment in the subsidiary company in line with section 610 of the Companies Act 2006

# Notes to the Financial Statements

For the for the period from 31 August 2011 to 31 January 2012

## 19. Reconciliation of movement in shareholders' funds

	2012
Group	£
Opening shareholders' funds	-
Profit for the period	993,771
Dividends (Note 20)	(330,000)
Shares issued during the period	100
Share premium on shares issued (net of expenses)	7,182,372
	<hr/>
Closing shareholders' funds	7,846,243
	<hr/>
	2012
Company	£
Opening shareholders' funds	-
Loss for the period	(105,096)
Dividends (Note 20)	(20,000)
Shares issued during the period	100
Share premium on shares issued (net of expenses)	7,182,372
	<hr/>
Closing shareholders' funds	7,057,376
	<hr/>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account

The loss for the period dealt with in the accounts of the company was £105,096

## 20. Dividends

	For the period from 31 August 2011 to 31 January 2012
	£
Dividends paid on equity capital	330,000
	<hr/>

# Notes to the Financial Statements

For the for the period from 31 August 2011 to 31 January 2012

## 21. Acquisitions and Disposals

### Acquisitions

	Vendors' book value £	Fair value adjustments £	Fair value to the group £
<b>Assets and liabilities acquired</b>			
Tangible fixed assets	20,186,592	1,768,750	21,955,342
Stocks	52,595	-	52,595
Debtors	2,083,787	-	2,083,787
Bank overdrafts	(75,875)	-	(75,875)
Other creditors and provisions	(8,161,466)	-	(8,161,466)
Net assets acquired	<u>14,085,633</u>	<u>1,768,750</u>	<u>15,854,383</u>
<b>Satisfied by</b>			
Consideration			
Cash			5,000,000
Loan notes			2,182,372
Share premium upon share for share exchange			7,182,372
			<u>14,364,744</u>
Surplus arising on consolidation taken to intangible assets (see note 9)			<u>(1,489,639)</u>

Negative goodwill arising on consolidation has been released to the profit and loss account in the year

## 22. Net cash flow from operating activities

	For the period from 31 August 2011 to 31 January 2012 £
Operating profit	1,191,892
Amortisation of intangible fixed assets	(7,586)
Depreciation of tangible fixed assets	213,195
Impairments of goodwill	(1,489,639)
Loss on disposal of tangible fixed assets	5,502
Decrease in stocks	11,653
Decrease in debtors	224,795
Increase in creditors	78,343
Net cash inflow from operating activities	<u>228,155</u>

# Notes to the Financial Statements

For the for the period from 31 August 2011 to 31 January 2012

## 23. Analysis of cash flows for headings netted in cash flow statement

	For the period from 31 August 2011 to 31 January 2012 £
<b>Returns on investments and servicing of finance</b>	
Interest paid	(92,496)
Hire purchase interest	(1,084)
	<hr/>
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(93,580)</b> <hr/>
	For the period from 31 August 2011 to 31 January 2012 £
<b>Capital expenditure and financial investment</b>	
Purchase of tangible fixed assets	(18,329)
	<hr/>
	For the period from 31 August 2011 to 31 January 2012 £
<b>Acquisitions and disposals</b>	
Purchase of fixed asset investments (net of cash acquired)	(5,075,875)
	<hr/>
	For the period from 31 August 2011 to 31 January 2012 £
<b>Financing</b>	
Issue of ordinary shares	100
New secured loans	5,000,000
Repayment of loans	(15,000)
New finance leases	59,537
	<hr/>
<b>Net cash inflow from financing</b>	<b>5,044,637</b> <hr/>



# Notes to the Financial Statements

For the for the period from 31 August 2011 to 31 January 2012

## 24. Analysis of changes in net debt

	31 August 2011	Cash flow	Acquisition	Other non-cash changes	31 January 2012
	£	£	£	£	£
Cash at bank and in hand	-	2,876	-	-	2,876
Bank overdraft	-	(88,574)	-	-	(88,574)
	-	(85,698)	-	-	(85,698)
<b>Debt:</b>					
Finance leases	-	(59,537)	-	-	(59,537)
Debts due within one year	-	-	(460,000)	-	(460,000)
Debts falling due after more than one year	-	(4,985,000)	(7,015,000)	(2,182,372)	(14,182,372)
<b>Net funds</b>	-	(5,130,235)	(7,475,000)	(2,182,372)	(14,787,607)

## 25. Major non-cash transactions

Within the net debt movements in the year is a non-cash change of £2,182,372 of loan notes issued on acquisition of the subsidiary company

## 26. Operating lease commitments

At 31 January 2012 the Group had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2012	Other 2012
Group	£	£
<b>Expiry date.</b>		
Between 2 and 5 years	47,000	43,094

## 27. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Tanglewood (Lincolnshire) Limited	England	100	Management of care homes