

Company Registration No. 02027245 (England and Wales)

MOTHERDALE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016



MOTHERDALE LIMITED

COMPANY INFORMATION

Directors	Mrs S E Maredia Dr M N Maredia Mr B Maredia
Secretary	Mrs S E Maredia
Company number	02027245
Registered office	Summerfields St James Field Castle Eden Co. Durham
Auditor	Haines Watts Sterling House 22 St Cuthberts Way Darlington Co Durham
Business address	Summerfields St James Field Castle Eden Co. Durham

MOTHERDALE LIMITED

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MOTHERDALE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present the strategic report for the year ended 31 March 2016.

Fair review of the business

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

This year represents the third full year that the newly developed care home at Halifax has been open to residents, and the occupancy levels have risen consistently throughout. Actual occupancy has outstripped forecasted levels and the Halifax care home has continued to generate operating profit.

The company's other care home at Durham has continued to trade successfully and has maintained occupancy and margin.

Principal risks and uncertainties

Critical Success Factors

The critical success factors for profit performance are occupancy and gross margin.

Most new clients come through recommendation, so the company has quality systems in place to ensure continued high standard in order to maintain the good reputation of the company.

Gross margin is affected by staff cost and fee levels, however internal controls are in place to maximise efficiency. The company manages business risk by maintaining very strong relationships with customers, suppliers and employees, and also by making changes in response to market conditions in the care home industry.

Care Act 2014

The new regulations about funding for long term care are due to come into force in April 2016. This could result in a higher number of local authority funded clients potentially at reduced fees which could reduce gross margin.

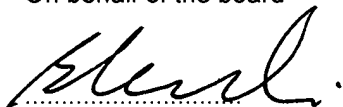
Interest rates

The company borrows money to fund new developments. These borrowings, which are long term in nature are at floating rates and therefore the company is exposed to changes in interest rates, however the risk is mitigated through hedging contracts.

Development and performance

The directors are considering various business strategies aimed at the continued development of the company and in order to enhance shareholder value.

On behalf of the board



Mr B Maredia

Director

15/12/2016....

MOTHERDALE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present their annual report and financial statements for the year ended 31 March 2016.

Principal activities

The principal activity of the group continued to be that of a residential care home.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mrs S E Maredia
Dr M N Maredia
Mr B Maredia

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £143,600. The directors do not recommend payment of a further dividend.

Auditor

In accordance with the company's articles, a resolution proposing that be reappointed as auditor of the group will be put at a General Meeting.

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). 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 group and company, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MOTHERDALE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

On behalf of the board



Mr B Maredia

Director

15/12/2016.....

MOTHERDALE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MOTHERDALE LIMITED

We have audited the financial statements of Motherdale Limited for the year ended 31 March 2016 set out on pages 6 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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 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 directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual 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 its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

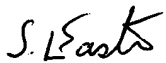
MOTHERDALE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MOTHERDALE 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.



Stephen Easton FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts

**Chartered Accountants and
Statutory Auditor**

20/12/16

Stirling House
22 St Cuthberts Way
Darlington
County Durham

MOTHERDALE LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Turnover	3	3,828,613	3,620,231
Cost of sales		(2,424,638)	(2,306,130)
Gross profit		1,403,975	1,314,101
Administrative expenses		(701,456)	(694,954)
Operating profit	4	702,519	619,147
Interest receivable and similar income	8	6,062	6,204
Interest payable and similar charges	9	(98,485)	(124,577)
Profit before taxation		610,096	500,774
Taxation	10	(145,096)	(141,474)
Profit for the financial year		465,000	359,300
Profit for the financial year is attributable to:			
- Owners of the parent company		390,808	307,388
- Non-controlling interests		74,192	51,912
		465,000	359,300
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		390,808	307,388
- Non-controlling interests		74,192	51,912
		465,000	359,300

The profit and loss account has been prepared on the basis that all operations are continuing operations.

MOTHERDALE LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Goodwill	12		72,437		91,428
Tangible assets	13		5,338,550		5,464,740
			<u>5,410,987</u>		<u>5,556,168</u>
Current assets					
Stocks	17	3,600		3,475	
Debtors	18	226,809		152,898	
Cash at bank and in hand		1,890,772		1,908,090	
		<u>2,121,181</u>		<u>2,064,463</u>	
Creditors: amounts falling due within one year	19	(727,931)		(732,130)	
Net current assets			<u>1,393,250</u>		<u>1,332,333</u>
Total assets less current liabilities			<u>6,804,237</u>		<u>6,888,501</u>
Creditors: amounts falling due after more than one year	20		(3,823,280)		(4,239,271)
Provisions for liabilities	23		(134,316)		(123,983)
Net assets			<u><u>2,846,641</u></u>		<u><u>2,525,247</u></u>
Capital and reserves					
Called up share capital	25		100		100
Profit and loss reserves			<u>2,694,442</u>		<u>2,402,081</u>
Equity attributable to owners of the parent company			<u>2,694,542</u>		<u>2,402,181</u>
Non-controlling interests			<u>152,099</u>		<u>123,066</u>
			<u><u>2,846,641</u></u>		<u><u>2,525,247</u></u>

The financial statements were approved by the board of directors and authorised for issue on 15/12/2016 and are signed on its behalf by:



Mr B Maredia
Director

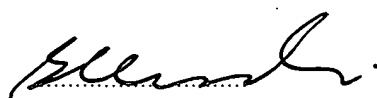
MOTHERDALE LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	13		33,895		11,762
Investments	14		204,080		204,080
			<u>237,975</u>		<u>215,842</u>
Current assets					
Debtors	18	734,164		684,875	
Cash at bank and in hand		1,039,974		1,136,903	
		<u>1,774,138</u>		<u>1,821,778</u>	
Creditors: amounts falling due within one year	19	(13,849)		(14,857)	
Net current assets			<u>1,760,289</u>		<u>1,806,921</u>
Total assets less current liabilities			<u>1,998,264</u>		<u>2,022,763</u>
Capital and reserves					
Called up share capital	25		100		100
Profit and loss reserves			1,998,164		2,022,663
Total equity			<u>1,998,264</u>		<u>2,022,763</u>

The financial statements were approved by the board of directors and authorised for issue on 15/12/2016... and are signed on its behalf by:



Mr B Maredia
Director

Company Registration No. 02027245

MOTHERDALE LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Share capital £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 April 2014		100	2,194,493	2,194,593	71,155	2,265,748
Year ended 31 March 2015:						
Profit and total comprehensive income for the year		-	307,387	307,387	51,912	359,299
Dividends	11	-	(99,800)	(99,800)	-	(99,800)
Balance at 31 March 2015		100	2,402,081	2,402,181	123,066	2,525,247
Year ended 31 March 2016:						
Profit and total comprehensive income for the year		-	390,803	390,803	74,192	465,000
Dividends	11	-	(143,600)	(143,600)	-	(143,600)
Other movements		-	45,158	45,158	(45,158)	-
Balance at 31 March 2016		100	2,694,442	2,694,542	152,099	2,846,641

MOTHERDALE LIMITED

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

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2014		100	1,920,254	1,920,354
Year ended 31 March 2015:				
Profit and total comprehensive income for the year		-	178,409	178,409
Dividends	11	-	(76,000)	(76,000)
Balance at 31 March 2015		100	2,022,663	2,022,763
Year ended 31 March 2016:				
Profit and total comprehensive income for the year		-	106,501	106,501
Dividends	11	-	(131,000)	(131,000)
Balance at 31 March 2016		100	1,998,164	1,998,264

MOTHERDALE LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	30	792,687		898,196	
Interest paid		(98,485)		(124,577)	
Income taxes paid		(114,132)		(5,328)	
Net cash inflow from operating activities		<u>580,070</u>		<u>768,291</u>	
Investing activities					
Purchase of tangible fixed assets		(88,223)		(25,193)	
Proceeds on disposal of tangible fixed assets		38,000		-	
Interest received		<u>6,062</u>		<u>6,204</u>	
Net cash used in investing activities			(44,161)		(18,989)
Financing activities					
Proceeds of new bank loans		-		15,186	
Repayment of bank loans		(392,443)		(289,812)	
Payment of finance leases obligations		(17,184)		(3,981)	
Dividends paid to equity shareholders		<u>(143,600)</u>		<u>(99,800)</u>	
Net cash used in financing activities			(553,227)		(378,407)
Net (decrease)/increase in cash and cash equivalents			(17,318)		370,895
Cash and cash equivalents at beginning of year		1,908,090		1,537,195	
Cash and cash equivalents at end of year		<u>1,890,772</u>		<u>1,908,090</u>	

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Company information

Motherdale Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Summerfields, St James Field, Castle Eden, County Durham.

The group consists of Motherdale Limited and all of its subsidiaries.

The principal activity of the group is the same as that shown in the Directors' report.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These group and company financial statements for the year ended 31 March 2016 are the first financial statements of Motherdale Limited and the group prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS 102 was 1 April 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £106,501 (2015 - £178,409 profit).

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Motherdale Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover represents fees receivable for nursing and personal care from public and provide residents, exempt from Value Added Tax, provided under contracts to the extent that there is a right to consideration.

Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sale of Services

Revenue from contracts for the provision of care services is recognised in the period in which the services are provided.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	2% Straight line
Fixtures, fittings & equipment	15% Reducing balance
Motor vehicles	25% Reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the profit or loss.

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

1.8 Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value where the net realisable value of stock is the estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

1.12 Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

1.13 Taxation

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. 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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of intangible assets

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Impairment of debtors

The company 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 aging profile of the debtor and historical experience.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic and residual values of the assets. The economic useful lives and residual values are assessed on an annual basis and are amended when required to reflect the changes in the condition of the asset or market.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2016 £	2015 £
Turnover		
Sale of Services	3,828,613	3,620,231
	<u> </u>	<u> </u>
 Other significant revenue		
Interest income	6,062	6,204
	<u> </u>	<u> </u>

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

3 Turnover and other revenue (Continued)

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	3,828,613	3,620,231

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	183,652	178,442
Depreciation of tangible fixed assets held under finance leases	-	(6,909)
Profit on disposal of tangible fixed assets	(7,238)	-
Amortisation of intangible assets	18,991	18,991
Cost of stocks recognised as an expense	(125)	(225)

5 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	996	1,165
Audit of the company's subsidiaries	3,084	3,084
	4,080	4,249

6 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

2016 Number	2015 Number
149	284

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

6	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2016	2015
		£	£
	Wages and salaries	2,058,885	1,956,029
	Social security costs	123,319	123,523
	Pension costs	32,894	38,172
		<u>2,215,098</u>	<u>2,117,724</u>
7	Directors' remuneration	2016	2015
		£	£
	Remuneration for qualifying services	49,379	49,370
	Company pension contributions to defined contribution schemes	23,923	33,923
		<u>73,302</u>	<u>83,293</u>
8	Interest receivable and similar income	2016	2015
		£	£
	Interest income		
	Interest on bank deposits	6,036	6,109
	Other interest income	26	95
	Total income	<u>6,062</u>	<u>6,204</u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	<u>6,036</u>	<u>6,109</u>
9	Interest payable and similar charges	2016	2015
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on finance leases and hire purchase contracts	1,272	1,983
	Other interest on financial liabilities	69,818	96,629
		<u>71,090</u>	<u>98,612</u>
	Other finance costs:		
	Other interest	<u>27,395</u>	<u>25,965</u>
	Total finance costs	<u>98,485</u>	<u>124,577</u>

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

10 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	134,802	114,106
Adjustments in respect of prior periods	(39)	11,017
Total current tax	<u>134,763</u>	<u>125,123</u>
Deferred tax		
Origination and reversal of timing differences	<u>10,333</u>	<u>16,351</u>
Total tax charge	<u>145,096</u>	<u>141,474</u>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	<u>610,096</u>	<u>500,774</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	122,019	100,155
Tax effect of expenses that are not deductible in determining taxable profit	1,510	1,303
Depreciation on assets not qualifying for tax allowances	34,146	37,883
Depreciation	(12,540)	(8,734)
Adjustments in respect of prior periods.	(39)	10,867
Tax expense for the year	<u>145,096</u>	<u>141,474</u>

11 Dividends

	2016 £	2015 £
Interim paid	<u>131,000</u>	<u>76,000</u>

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 April 2015 and 31 March 2016	189,912
Amortisation and impairment	
At 1 April 2015	98,484
Amortisation charged for the year	18,991
At 31 March 2016	117,475
Carrying amount	
At 31 March 2016	72,437
At 31 March 2015	91,428

The company had no intangible fixed assets at 31 March 2016 or 31 March 2015.

13 Tangible fixed assets

Group	Land and buildings Freehold £	Fixtures, Motor vehicles fittings & equipment £	£	Total £
Cost				
At 1 April 2015	5,749,038	677,609	100,173	6,526,820
Additions	-	17,368	70,855	88,223
Disposals	-	-	(68,328)	(68,328)
At 31 March 2016	5,749,038	694,977	102,700	6,546,715
Depreciation and impairment				
At 1 April 2015	655,621	344,689	61,769	1,062,079
Depreciation charged in the year	115,610	51,243	16,799	183,652
Eliminated in respect of disposals	-	-	(37,566)	(37,566)
At 31 March 2016	771,231	395,932	41,002	1,208,165
Carrying amount				
At 31 March 2016	4,977,807	299,045	61,698	5,338,550
At 31 March 2015	5,093,416	332,921	38,403	5,464,740

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

13 Tangible fixed assets		(Continued)
Company		Motor vehicles £
Cost		
At 1 April 2015		34,315
Additions		42,815
Disposals		(34,315)
At 31 March 2016		42,815
Depreciation and impairment		
At 1 April 2015		22,552
Depreciation charged in the year		8,920
Eliminated in respect of disposals		(22,552)
At 31 March 2016		8,920
Carrying amount		
At 31 March 2016		33,895
At 31 March 2015		11,762

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

		Group 2016 £	2015 £	Company 2016 £	2015 £
Motor vehicles		-	20,727	-	-
		-	20,727	-	-
Depreciation charge for the year in respect of leased assets		-	6,909	-	-
14 Fixed asset investments					
		Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	15	-	-	204,080	204,080

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2016 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Ideal Care (North) Limited UK	Care Home	Ordinary	86.00	

16 Financial instruments

	Group 2016 £	2015 £	Company 2016 £	2015 £
Carrying amount of financial assets				
Trade debtors measured at amortised cost	213,171	130,683	-	-
Group debtors measured at amortised cost	-	-	734,164	684,785
Equity instruments measured at cost less impairment	-	-	204,080	204,080
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Trade creditors measured at amortised cost	39,705	52,997	-	-
Other creditors measured at amortised cost	171,538	149,884	3,550	3,550
Bank loans measured at amortised cost	4,180,096	4,572,539	-	-
Finance leases measured at amortised cost	-	17,184	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17 Stocks

	Group 2016 £	2015 £	Company 2016 £	2015 £
Finished goods and goods for resale	3,600	3,475	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

18 Debtors

	Group 2016 £	2015 £	Company 2016 £	2015 £
Amounts falling due within one year:				
Trade debtors	212,970	130,483	-	-
Amounts due from subsidiary undertakings	1	-	734,164	684,875
Other debtors	200	200	-	-
Prepayments and accrued income	13,638	22,215	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	226,809	152,898	734,164	684,875
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

19 Creditors: amounts falling due within one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	21	356,816	346,470	-	-
Obligations under finance leases	22	-	3,982	-	-
Trade creditors		39,705	52,997	-	-
Corporation tax payable		134,729	114,098	7,659	8,547
Other taxation and social security		20,278	52,489	-	-
Other creditors		171,538	149,884	3,550	3,550
Accruals and deferred income		4,865	12,210	2,640	2,760
		<u>727,931</u>	<u>732,130</u>	<u>13,849</u>	<u>14,857</u>

20 Creditors: amounts falling due after more than one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	21	3,823,280	4,226,069	-	-
Obligations under finance leases	22	-	13,202	-	-
		<u>3,823,280</u>	<u>4,239,271</u>	<u>-</u>	<u>-</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>2,582,722</u>	<u>2,991,707</u>	<u>-</u>	<u>-</u>
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21 Loans and overdrafts

	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans	<u>4,180,096</u>	<u>4,572,539</u>	<u>-</u>	<u>-</u>
Payable within one year	356,816	346,470	-	-
Payable after one year	<u>3,823,280</u>	<u>4,226,069</u>	<u>-</u>	<u>-</u>

Amounts included above which fall due after five years:

Payable by instalments	<u>2,582,722</u>	<u>2,991,707</u>	<u>-</u>	<u>-</u>
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MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

21 Loans and overdrafts

(Continued)

The bank loan of £322,068 is secured by a fixed and floating charge on the assets of the company and is repayable by 2019. Interest is charged at 1% above the bank base rates.

The bank loan of £3,858,028 is secured by a fixed and floating charge on the assets of the company and is repayable by 2033. Interest is charged at 2.63688%.

22 Finance lease obligations

	Group 2016 £	2015 £	Company 2016 £	2015 £
Future minimum lease payments due under finance leases:				
Within one year	-	3,982	-	-
In two to five years	-	13,202	-	-
	<u>-</u>	<u>17,184</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets.

23 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2016 £	Liabilities 2015 £
Accelerated capital allowances	<u>134,316</u>	<u>123,983</u>

The company has no deferred tax assets or liabilities.

	Group 2016 £	Company 2016 £
Movements in the year:		
Liability at 1 April 2015	123,983	-
Charge to profit or loss	<u>10,333</u>	<u>-</u>
Liability at 31 March 2016	<u>134,316</u>	<u>-</u>

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

24 Retirement benefit schemes

	2016	2015
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	32,894	38,172

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

25 Share capital

	Group and company	
	2016	2015
Ordinary share capital	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
Issued and fully paid		
100 Ordinary shares of £1 each	100	100

26 Events after the reporting date

In May 2016, a branch of Ideal Care (North) Limited was sold to a third party which resulted in a profit on disposal of tangible fixed assets of £2,232,336. Bank loans amounting to £3,858,027 at the balance sheet date were repaid following the sale.

27 Related party transactions

Transactions with related parties

C Pope (Shareholder of Ideal Care (North) Limited)

During the year, consultancy services were provided by the related party totalling £8,450 (2015 - £7,800). At the balance sheet date, the amounts due to the related party was £nil (2015 - £nil).

No guarantees have been given or received.

28 Directors' transactions

Dividends totalling £112,368 (2015 - £40,000) were paid in the year in respect of shares held by the company's directors. Dividends totalling £641,842 (2015 - £141,053) were waived during the year.

29 First-time adoption of FRS 102

The company has adopted FRS 102 for the first time in the year ended 31 March 2016.

The effect of transition from previous financial reporting framework to FRS 102 is outlined below.

There have been no material changes in accounting policies resulting from adoption of FRS 102.

MOTHERDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

30 Cash generated from group operations

	2016 £	2015 £
Profit for the year after tax	465,000	359,300
Adjustments for:		
Taxation charged	145,096	141,474
Finance costs	98,485	124,577
Investment income	(6,062)	(6,204)
Gain on disposal of tangible fixed assets	(7,238)	-
Amortisation and impairment of intangible assets	18,991	18,991
Depreciation and impairment of tangible fixed assets	183,652	185,351
Movements in working capital:		
(Increase) in stocks	(125)	(225)
(Increase)/decrease in debtors	(73,911)	35,876
(Decrease)/increase in creditors	(31,201)	39,056
Cash generated from operations	<u>792,687</u>	<u>898,196</u>