

Registered number 02196821

Castleoak Care Partnerships Limited
Annual Report and Financial Statements
for the year ended 31 March 2016

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Castleoak Care Partnerships Limited

Annual Report and Financial statements for the year ended 31 March 2016

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CastleOak Care Partnerships Limited

Directors and advisers for the year ended 31 March 2016

The directors of the company who were in office during the year and up to the date of signing the financial statements were

Directors

S D Greenstreet

C R Knight

M W Knight

D R John (resigned on 12 September 2016)

C L Currie

N K Watkins

Secretary

D R John (resigned on 12 September 2016)

Registered office

Raglan House

Malthouse Avenue

Cardiff Gate Business Park

Cardiff

South Glamorgan

CF23 8RA

Independent auditors

PricewaterhouseCoopers LLP

One Kingsway

Cardiff

CF10 3PW

Castleoak Care Partnerships Limited

Strategic report for the year ended 31 March 2016

Registered number: 02196821

Introduction

Castleoak Care Partnerships Limited (the "Company") is the construction arm of the Castleoak Holdings Limited Group ("Castleoak") which is the pre-eminent construction and development partner in the care sector. We have worked exclusively in the care sector since 1996 and have designed and built over 9,000 care beds and 2,000 extra care apartments across the UK.

Activity

Activity has reduced in the year with turnover reducing by 17% to £49.4m. This reflects the reduction in construction turnover from the Care UK/Suffolk externalisation programme and a general reduction in development activity in the care home sector. The Company generated a loss before tax for the year of £1,996k (2015: £179k profit). Profit on development activities in other companies in the Castleoak Group has enabled the Company to invest in business development and pre-construction to increase the pipeline of construction projects. The Company's order book was over £90m at the end of October 2016 and turnover during the current financial year is significantly higher and projected to increase.

Suffolk externalisation programme

The Suffolk externalisation programme with Care UK completed during the year and has been a tremendous success for all concerned. Castleoak is the exclusive contractor on Care UK's externalisation programme with Suffolk County Council. Under the programme, Care UK has invested over £60m in ten new care homes in the county, each with adjacent wellbeing centres. The ten projects have delivered c. £45m of work for Castleoak.

Castleoak was responsible for gaining planning permission on the care home and planning consents were granted on all ten projects. The last of the ten projects was handed over in the year.

Development

Castleoak's Developments business continues to deliver high quality care projects for our customers and funding partners. In the year, we completed the last of eleven care facilities delivered for the CarePlaces Fund, which filled the fund's £78m investment capacity. The CarePlaces Fund is managed by Bridges Ventures LLP, and finances the development of high quality care homes leased to leading operators with Castleoak as exclusive developer.

During the year we closed a significant new fund with a leading real estate funder for the development of new care homes. The fund will provide funding for over 5 new care home developments and we have an exciting pipeline of new development projects to develop in the forthcoming financial year, with three projects coming on site in 2016. We continue to invest in our development team and it provides a flow of projects for our construction business.

Castleoak Care Partnerships Limited

Strategic report for the year ended 31 March 2016

Registered number: 02196821

Assisted Living

Pressures on the care home sector are limiting demand from care operators for new build care home projects. Activity in the Assisted Living sector has increased significantly in the year and Castleoak is delivering a number of large projects for the leading developers of quality Assisted Living projects.

In addition, Castleoak has entered into a strategic relationship with Bridges Property Alternatives Fund to deliver a high quality Assisted Living rental product and has acquired the site for the development of Assisted Living apartments and a care home in Sidcup. Construction of the scheme is due to commence later this year.

Customer Satisfaction

The quality of our construction projects continues to be a central focus. We continue to focus on high quality product delivery and our efforts in this regard are reflected in the high level of repeat business and our high customer satisfaction scores.

Financial key performance indicators

The Directors consider the main key performance indicators to be turnover, profit before tax and cash generated (all of which are disclosed in the financial statements).

Non-financial key performance indicators

The Directors use a number of non-financial key performance indicators to monitor the business, including: customer satisfaction scores, waste and carbon footprint, scores under the Considerate Constructors Scheme and quality and health and safety audit scores.

Principal risks and uncertainties

The key business risk affecting the Company is the level of demand for new care facilities in the UK healthcare sector. The Company tries to mitigate this risk by continuing to broaden its customer base and by stimulating demand through its development activities. The business is also affected by price inflation, particularly in relation to construction materials and wages. The Company mitigates inflation risk by monitoring input prices closely, making allowances for inflation in selling prices and sharing inflation risk with its customers and suppliers.

Outlook

The outlook for the Company is extremely positive. We have made some significant changes to the business in recent years which will underpin future growth in activity and profit. We expect our Assisted Living activity to grow significantly in future periods and our track record in this market will enable us to deliver high quality schemes for our customers. We have the benefit of a strong order book and balance sheet, loyal and dedicated colleagues and look forward to a productive year.

CastleOak Care Partnerships Limited

Strategic report for the year ended 31 March 2016

Registered number: 02196821

I would like to thank my colleagues and our customers, suppliers, consultants and advisers for their support and commitment during the year.

On behalf of the board



M W Knight
Executive Chairman
09 December 2016

Castleoak Care Partnerships Limited

Directors' report for the year ended 31 March 2016

Registered number: 02196821

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

Principal activities

The Company's principal activity during the year was the construction of care homes and other supported accommodation for the elderly.

Review of the business

The results for the year and the financial position of the Company at the year end are as shown in the attached financial statements. A review of the business and future developments is set out in the Strategic Report on page 2.

Results and dividends

The Company's loss for the financial year after taxation amounted to £1,746,113 (2015: £130,646 profit). No dividends have been paid in respect of the year ended 31 March 2016 (2015: £nil). The directors do not recommend payment of a final dividend (2015: £nil).

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements are listed on page 1.

Financial risk management

The company's operations may expose it to a variety of financial risks that include the effects of changes in prices, liquidity risk and interest rate risk. The Company seeks to limit the adverse effects on the financial performance of the company as follows:

Price risk

The Company is exposed to commodity price risk as a result of its operations. The directors monitor movements in market prices on a regular basis, however, given the size of the Company's operations the costs of managing exposure to commodity price risk exceed any potential benefits. The Company has no exposure to equity securities price risk as it holds no listed debt or other equity investments.

Credit risk

The Company carries out credit checks on potential customers before contracts are entered into. Exposure to individual counterparties is mitigated by regular payment profiles and short credit terms.

Liquidity risk

The Company actively maintains sufficient liquid cash balances to fund its operations and is, therefore, not subject to significant liquidity risk.

Interest rate risk

The Company holds interest bearing assets and liabilities. Interest bearing liabilities comprise mainly finance leases and attract interest at fixed rates. Cash balances earn interest at variable rates, the directors consider interest rate risk on cash balances to be minimal.

CastleOak Care Partnerships Limited

Directors' report for the year ended 31 March 2016 (continued)

Registered number: 02196821

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

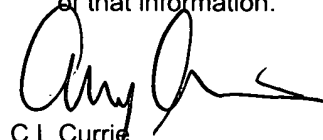
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.



C L Currie
Director

09 December 2016

CastleOak Care Partnerships Limited

Independent auditors' report to the members of CastleOak Care Partnerships Limited

Report on the financial statements

Our opinion

In our opinion, CastleOak Care Partnerships Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss 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.

What we have audited

The financial statements, included within the Annual Report and financial statements, comprise:

- the Statement of Financial Position as at 31 March 2016
- the Income Statement for the year then ended; and
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

CastleOak Care Partnerships Limited

Independent auditors' report to the members of CastleOak Care Partnerships Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 5, 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 & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements 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.



Jason Clarke (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
09 December 2016

CastleOak Care Partnerships Limited

Income Statement for the year ended 31 March 2016

	Note	2016 £	2015 £
Revenue	5	49,351,342	59,696,303
Cost of sales		(44,959,066)	(53,505,732)
Gross profit		4,392,276	6,190,571
Other operating income		77,203	288,130
Administrative expenses		(6,423,430)	(6,286,557)
Operating (loss)/profit	6	(1,953,951)	192,144
Interest payable and similar charges	9	(41,840)	(13,189)
(Loss)/profit on ordinary activities before taxation		(1,995,791)	178,955
Tax on (loss)/profit on ordinary activities	10	249,678	(48,309)
(Loss)/profit for the financial year		(1,746,113)	130,646
Total comprehensive income for the year		(1,746,113)	130,646

All of the activities of the company are classed as continuing.

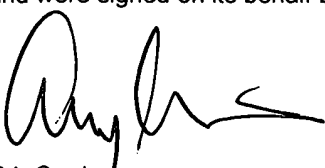
CastleOak Care Partnerships Limited

Statement of Financial Position as at 31 March 2016

Registered number 02196821

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	415,396	485,821
Investment	12	350,000	350,000
		765,396	835,821
Current assets			
Debtors	13	15,238,508	15,733,025
Cash at bank and in hand		3,829,311	2,527,812
		19,067,819	18,260,837
Creditors: amounts falling due within one year	14	(15,766,319)	(16,873,614)
Net current assets		3,301,500	1,387,223
Total assets less current liabilities		4,066,896	2,223,044
Creditors: amounts falling due after more than one year	15	(2,611,887)	(271,922)
Net assets		1,455,009	1,951,122
Capital and reserves			
Called up share capital	19	1,400,050	150,050
Profit and loss account		54,959	1,801,072
Total shareholders' funds		1,455,009	1,951,122

The financial statements on pages 9 to 26 were approved by the board of directors on 9 December 2016 and were signed on its behalf by:


 C L Currie
 Chief Executive Officer

Castleoak Care Partnerships Limited

Statement of Changes in Equity for the year ended 31 March 2016

Registered number 02196821

	Called up Share capital £	Retained Earnings £	Total Shareholders's funds £
At 1 April 2014	150,050	1,670,426	1,820,476
Profit for the financial year	-	130,646	130,646
At 31 March 2015	150,050	1,801,072	1,951,122
At 1 April 2015	150,050	1,801,072	1,951,122
Shares issued	1,250,000	-	1,250,000
Loss for the financial year	-	(1,746,113)	(1,746,113)
At 31 March 2016	1,400,050	54,959	1,455,009

CastleOak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2016

1 General Information

CastleOak Care Partnerships Limited ("the Company") is a specialist construction company working exclusively in the care and retirement living sector. The Company designs and builds care homes, assisted living and extra care apartments, care villages and specialist care schemes across the UK.

The Company is a private company limited by shares and is incorporated in England. The address of its registered office is Raglan House, Malthouse Avenue, Cardiff Gate Business Park, Cardiff CF23 8BA.

2 Statement of compliance

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

3 Summary of significant accounting policies

Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Company has adopted FRS 102 in the financial statements. Details of the transition to FRS 102 are disclosed in note 22.

The financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain tangible fixed assets and in accordance with FRS 102 and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Related parties

The Company has taken advantage of the exemption, under FRS 102 paragraph 33.2, from disclosing transactions with members of the same group that are wholly owned.

Key management personnel compensation

The Company has taken advantage of the exemption, under FRS 102 paragraph 33.7, from disclosing the Company key management personnel compensation.

Cash flow statement

The Company has taken the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, CastleOak Holdings Limited, includes the company's cash flows in its own consolidated financial statements.

CastleOak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2016 (cont.)

3 Summary of significant accounting policies (continued)

Cash and cash equivalents

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

Functional and presentation currency

The Company's functional and presentation currency is the pound sterling.

Financial instruments

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

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

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

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

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables and bank loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

CastleOak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2016 (cont.)

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

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 income as appropriate, unless they are included in a hedging arrangement.

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

Going concern

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued support of the ultimate parent company, CastleOak Holdings Limited. The directors have received confirmation that CastleOak Holdings Limited intend to support the company for at least one year after the financial statements are signed.

Revenue recognition

Revenue represents income from construction projects excluding value added tax. Revenue on long-term contracts is recognised according to the stage reached in the contract by reference to the value of work done. Profit on long-term contracts is taken as the work is carried out, if the final outcome can be assessed with reasonable certainty. The profit recognised is calculated on a prudent basis to reflect the proportion of work carried out at the year end, by recording revenue and related costs as contract activity progresses. Unbilled revenue is included in debtors as amounts recoverable on long term contracts. Full provision is made for losses on all contracts in the period in which they are first foreseen.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

CastleOak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2016 (cont.)

3 Summary of significant accounting policies (continued)

Taxation (continued)

(i) Deferred tax

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

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

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

Tangible assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. The cost of fixed assets represents their purchase cost, together with any incidental costs of acquisition. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing on the date of acquisition, of each asset evenly over their expected useful lives as follows:

Plant and machinery	25% - 33%
Furniture, fixtures and fittings	10% - 25%
Motor vehicles	30% - 33%

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

Leasing and hire purchase commitments

Costs in respect of operating leases are charged in arriving at the operating profit on a straight line basis over the lease term.

Where fixed assets are financed by entering into leasing agreements, which transfer to the lessee substantially all the benefits and risks of ownership, the assets are treated as if they had been purchased and included in tangible fixed assets and the capital element of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements; the capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding.

CastleOak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2016 (cont.)

3 Summary of significant accounting policies (continued)

Investment in subsidiary company

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

4 Judgements in applying accounting policies and key sources of estimation uncertainty

Critical accounting judgements 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.

Key accounting estimates and assumptions

The Company 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 a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below

Profit recognition on long-term contracts

The Company realises through the income statement in accordance with the turnover accounting policy stated in note 3. This is reviewed on a monthly basis, any changes in the assumptions made will impact the profit recognised in the income statement.

5 Revenue and (loss)/profit on ordinary activities before taxation

The revenue and (loss)/profit on ordinary activities before taxation are attributable to the one principal activity of the company in the United Kingdom.

CastleOak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2016 (cont.)

6 Operating (loss)/profit

	2016 £	2015 £
Operating (loss)/profit is stated after charging/(crediting):		
Operating lease charges - plant and machinery	869,763	950,729
Depreciation - owned assets	203,120	73,529
Depreciation - assets held under finance leases	-	94,154
Profit on sale of fixed assets	-	(890)
Services provided by the company's auditor		
Fees payable for the audit	24,000	24,000
Fees payable for other services - taxation	14,000	12,000

7 Employee Information

The average monthly number of staff employed by the company during the financial year amounted to:

	2016 Number	2015 Number
Production	74	71
Administration	33	30
Management	10	7
	117	108

The aggregate payroll costs of the above staff for the year were:

	2016 £	2015 £
Wages and salaries	4,577,889	4,684,131
Social security costs	562,029	567,677
Other pension costs	235,485	245,130
	5,375,403	5,496,938

CastleOak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2016 (cont.)

8 Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2016 £	2015 £
Aggregate emoluments (including benefits in kind)	356,514	429,946
Company contributions to money purchase pension schemes	29,254	33,894
	385,768	463,840

At the balance sheet date retirement benefits were accruing to 6 (2015: 6) directors under money purchase pension schemes.

The emoluments of the highest paid director were as follows:

	2016 £	2015 £
Aggregate emoluments (including benefits in kind)	133,468	131,625
Company contributions to money purchase pension schemes	11,250	9,924
	144,718	141,549

9 Interest payable and similar charges

	2016 £	2015 £
Other interest	41,840	13,189

10 Taxation

	2016 £	2015 £
Current tax:		
UK corporation tax on (loss)/profit of the year	(265,771)	48,101
Adjustments in respect of previous years	66	-
	(265,705)	48,101
Deferred tax:		
Origination and reversal of timing differences	6,169	208
Changes in tax rates or laws	9,858	-
Tax (credit)/charge on (loss)/profit on ordinary activities	(249,678)	48,309

CastleOak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2016 (cont.)

10 Taxation (continued)

Factors affecting tax charge for the year

The tax rate for the current period is lower than for the prior period due to changes in the UK corporation rate decreased from 21% to 20% from 1 April 2015.

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows:

	2016 £	2015 £
(Loss)/profit on ordinary activities before taxation	(1,995,791)	178,955
Standard rate of corporation tax in the UK	20%	21%
	£	£
(Loss)/profit on ordinary activities before taxation multiplied by the standard rate of corporation tax	(399,158)	37,581
Effects of:		
Expenses not deductible for tax purposes	9,891	10,804
Accelerated capital allowances and other timing differences	-	-
Disallowable tax settlements	129,665	-
Tax at marginal rates	-	(66)
Change in tax rates	9,858	(10)
Adjustment in respect of previous years	66	-
Current tax (credit)/charge for the year	(249,678)	48,309

Further reductions to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2015. These reduce the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As the changes were substantively enacted at the balance sheet date, their effects are included in these financial statements. The deferred tax liabilities have therefore been calculated at 18% on the basis that the underlying timing differences are expected to reverse at 18%.

The March 2016 Budget Statement announced a further change to the UK Corporation tax rate which will reduce the main rate of corporation tax to 17% from 1 April 2020. As this change has not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

CastleOak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2016 (cont.)

11 Tangible fixed assets

	Motor Vehicles £	Plant and machinery £	Furniture, fixtures and fittings £	Total £
Cost				
At 1 April 2015	106,767	101,235	2,146,988	2,354,990
Additions	-	-	132,695	132,695
At 31 March 2016	106,767	101,235	2,279,683	2,487,685
Accumulated Depreciation				
At 1 April 2015	105,248	77,381	1,686,540	1,869,169
Charge for the year	-	10,317	192,803	203,120
At 31 March 2016	105,248	87,698	1,879,343	2,072,289
Net book value				
At 31 March 2016	1,519	13,537	400,340	415,396
At 31 March 2015	1,519	23,854	460,448	485,821

Castleoak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2016 (cont.)

12 Investment in subsidiary

	Investments in subsidiary undertakings £
Cost and net book value	
At 1 April 2015 and 31 March 2016	350,000
Castleoak Timber Frame Limited	350,000

Castleoak Timber Frame Limited is a company registered in England and Wales and the company holds 100% of the ordinary shares.

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

13 Debtors

	2016 £	2015 £
Trade debtors	7,902,266	7,313,996
Bad debt provision	(14,498)	(14,498)
Amounts owed by group undertakings	5,376,120	5,878,028
Corporation tax	88,717	104,744
VAT recoverable	715,005	447,496
Other debtors	217,620	532,032
Prepayments and accrued income	553,516	317,281
Amounts recoverable on long term contracts	399,762	1,153,946
	15,238,508	15,733,025

Amounts owed by group undertakings are unsecured, interest free and carry no fixed term of repayment.

The debtors above include the following amounts falling due after more than one year:

	2016 £	2015 £
Trade debtors	461,686	414,249

CastleOak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2016 (cont.)

14 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	7,498,758	7,625,755
Amounts owed to group undertakings	1,221,306	1,888,399
Corporation tax	-	33,747
Other taxation and social security	307,600	363,849
Other creditors	29,482	29,136
Accruals and deferred income	6,709,173	6,932,728
	15,766,319	16,873,614

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

15 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Trade creditors	311,768	271,922
Amounts owed to group undertakings and undertakings in which the company has a participating interest	2,300,119	-
	2,611,887	271,922

16 Financial commitments

At 31 March the company had annual commitments under non-cancellable operating leases expiring as follows:

	2016 £	2015 £
Land and buildings:		
Not later than one year	41,540	39,489
Later than one year and not later than five years	452,563	452,563
	494,103	492,052
Other operating leases:		
Not later than one year	70,497	12,313
Later than one year and not later than five years	262,805	408,515
	333,302	420,828

CastleOak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2016 (cont.)

17 Provisions for liabilities

Deferred Taxation

Movements during the year on the deferred taxation account are as follows

	2016 £	2015 £
Balance at the beginning of year	(104,744)	(104,952)
Credit to the Income Statement	16,027	208
Deferred tax asset	(88,717)	(104,744)

Deferred taxation provided for in the accounts is as follows:

	2016 £	2015 £
Accelerated capital allowances	(9,024)	(15,159)
Short term timing differences	(18,973)	(22,118)
Losses	(60,720)	(67,467)
	(88,717)	(104,744)

18 Financial Instruments

The Company has the following financial instruments:

	Note	2016 £	2015 £
Financial assets that are debt instruments measured at amortised cost			
Trade debtors	13	7,902,266	7,313,996
Amounts owed by group undertakings	13	4,987,674	5,878,028
Other debtors	13	217,620	532,032
		13,107,560	13,724,056

Castleoak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2016 (cont.)

18 Financial Instruments (continued)

Financial liabilities measured at			
amortised cost			
Trade creditors	14	7,498,758	7,625,755
Amounts owed to group undertakings	14	1,221,306	1,888,399
Other creditors	14	29,482	29,136
		8,749,546	9,543,290

The Company has no interest rate derivative financial instruments (2015: none)

19 Called up share capital

		2016 £	2015 £
Authorised:			
1,400,050 ordinary shares of	£1 each	1,400,050	151,000
Allotted, called up and fully paid:			
1,400,050 ordinary shares of	£1 each	1,400,050	150,050

20 Pension contributions

The company operates a defined contribution scheme. Total contributions paid in the year amounted to £235,485 (2015: £245,130). There are no amounts outstanding at the year end (2015: £nil).

21 Ultimate parent company and controlling party

The immediate and ultimate parent undertaking and controlling party is Castleoak Holdings Limited, a company incorporated in England and Wales.

Castleoak Holdings Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 March 2016. The consolidated financial statements of Castleoak Holdings Limited are available from its registered office at Raglan House, Malthouse Avenue, Cardiff Gate Business Park, Cardiff CF23 8RA.

CastleOak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2016 (cont.)

22 Transition to FRS 102

This is the first year that the Company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 102 was 1 April 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 March 2015 and the total equity as at 1 April 2014 and 31 March 2015 between UK GAAP as previously reported and FRS 102.

		31 March 2014
Total Equity - As previously reported		1,897,853
Holiday pay accrual	A	(96,721)
Deferred tax impact of adjustments	B	19,344
FRS 102		1,820,476
		2015 £
Profit for the financial year - As previously reported		120,230
Holiday pay accrual	A	13,020
		<u>13,020</u>
Total adjustment to profit before tax for the financial year		13,020
Deferred tax impact of adjustments	B	(2,604)
		<u>(2,604)</u>
Total adjustment to tax expense		(2,604)
Total adjustment to profit for the financial year		10,416
FRS 102		130,646
		31 March 2015
Restated Total Equity		1,820,476
Profit in the year as previously reported		120,230
Holiday Pay accrual	A	13,020
Deferred tax impact of adjustments	B	(2,604)
FRS 102		1,951,122

Castleoak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2016 (cont.)

22 Transition to FRS 102 (continued)

A Holiday pay accrual

FRS 102 requires short term employee benefits to be charged to the Income Statement as the employee service is received. This has resulted in the company recognising a liability for holiday pay of £96,721 on transition to FRS 102. Previously holiday pay accruals were not recognised and were charged to the Income Statement as they were paid. In the year to 31 March 2015 a credit of £13,020 was recognised in the Income Statement and the liability at 31 March 2015 was £83,701.

B Deferred Taxation

The company has accounted for deferred taxation on transition as follows:

Holiday pay accrual - Deferred tax of (£19,344) has been recognised at 21% on the liability recognised on transition. In the year ended 31 March 2015 the company has recognised a charge of £2,604 in the profit and loss account in respect of the introduction of the holiday pay accrual.