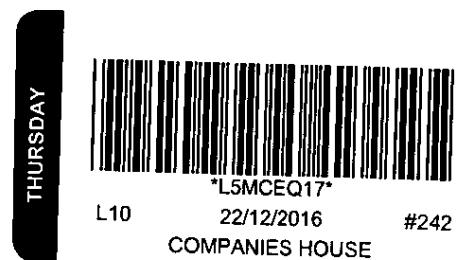


Unaudited Financial Statements Aviemore Homes Limited

For the Year Ended 31 March 2016



Registered number: SC281177

Aviemore Homes Limited

Company Information

Director	S Lakhani
Company secretary	I Lakhani
Registered number	SC281177
Registered office	C/O DLA Piper Rudnick Gray Cary Scotland LLP Collins House Rutland Square Edinburgh EH1 2AA
Accountants	Giant Thornton UK LLP Chartered Accountants 80 Compass Crescent Ipswich Suffolk IP2 0EH

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Strategic Report

For the Year Ended 31 March 2016

Introduction

The Director presents his Strategic Report and the financial statements for the year ended 31st March 2016

The principal activities of the Company remain the ownership and operation of a nursing home and a day care facility based on the same site

Business review

2016 has been a very challenging year for the care home sector. Continuing pressures on local authority budgets have impacted fee income whilst there is an ongoing challenge in ensuring the right quality and quantity of staff in the homes to deliver the quality standards the Company is aiming to achieve. The Company continues to invest in its operational infrastructure and staff teams in order to increase its quality of care and service.

Turnover in the year rose to £1,894k (2015 (8 month period) £934k) and the Company made a loss before tax of £915k (2015 (8 month period) £529k)

Principal risks and uncertainties

The principal risks of the business are twofold

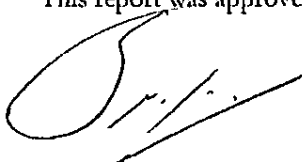
Firstly fee income. A significant element of the fee income is funded by local authorities who are under increasing pressures on their own budgets. The Company has adopted an active management approach to ensure that it works closely with local authorities and the planned reorganisation in 2017 will strengthen the central operations capability in this area.

Secondly, the challenge in finding good quality staff and the increasing costs of labour. The difficulty in staff recruitment results in higher usage of more expensive agency staff and the living wage is driving up the cost of employed staff. The local authority budgets are not augmented by these increases. The Company has implemented actions in 2016 to reduce the level of agency staff in the business and to ensure higher productivity from the employees.

Key performance indicators

The key performance indicators used by the Director to assess the performance of the Company are turnover, occupancy rates, staffing levels and staff costs, EBITDA.

This report was approved by the board on 20 December 2016 and signed on its behalf



S Lakhani
Director

Aviemore Homes Limited

Director's Report

For the Year Ended 31 March 2016

The director presents her report and the financial statements for the year ended 31 March 2016

Results and Dividends

The loss for the year, after taxation, amounted to £840,443 (2015 - loss £539,345)

Director

The director who served during the year was

S Lakhani

Future developments

The Director is confident that the Group which includes Aviemore Homes Limited, will continue to show sustained growth and will increase profitability in future periods within a simplified Group structure.

EBITDA margin growth for the entire Group is expected to be delivered through further operational improvements and cost efficiencies being implemented across all of the homes

Post balance sheet events

There have been no significant events affecting the company since the year end

This report was approved by the board on *20 December 2016* and signed on its behalf



S Lakhani
Director



Report to the director on the preparation of the unaudited statutory financial statements of Aviemore Homes Limited for the year ended 31 March 2016

We have compiled the accompanying financial statements of Aviemore Homes Limited based on the information you have provided. These financial statements comprise the Balance Sheet of Aviemore Homes Limited as at 31 March 2016, the Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

This report is made solely to the director of Aviemore Homes Limited in accordance with the terms of our engagement letter dated 16 December 2016. Our work has been undertaken solely to prepare for your approval the financial statements of Aviemore Homes Limited and state those matters that we have agreed to state to the director of Aviemore Homes Limited in this report in accordance with our engagement letter dated 16 December 2016. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Aviemore Homes Limited and its director for our work or for this report.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Grant Thornton UK LLP

Grant Thornton UK LLP

Chartered Accountants

Ipswich

Date

21 December 2016

Statement of Comprehensive Income

For the Year Ended 31 March 2016

		31 March 2016 £	8 months ended 31 March 2015 £
Turnover	4	1,894,044	934,119
Cost of sales		(1,680,112)	(1,024,908)
Gross profit/(loss)		213,932	(90,789)
Administrative expenses		(1,129,627)	(405,528)
Other operating income		138	-
Operating loss	5	(915,557)	(496,317)
Interest payable and expenses	7	-	(33,236)
Loss before tax		(915,557)	(529,553)
Tax on loss	8	75,114	(9,792)
Loss for the year		(840,443)	(539,345)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Unrealised (deficit)/surplus on revaluation of tangible fixed assets		(1,436,884)	-
		(1,436,884)	-
Total comprehensive income for the year/period		(2,277,327)	(539,345)

Balance Sheet

As at 31 March 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	9		4,388,355		6,850,546
			<u>4,388,355</u>		<u>6,850,546</u>
Current assets					
Debtors amounts falling due within one year	10	1,284,511		1,323,847	
Cash at bank and in hand	11	62,018		4,883	
		<u>1,346,529</u>		<u>1,328,730</u>	
Creditors amounts falling due within one year	12	(6,668,560)		(6,763,833)	
Net current liabilities			<u>(5,322,031)</u>		<u>(5,435,103)</u>
Total assets less current liabilities			<u>(933,676)</u>		<u>1,415,443</u>
Provisions for liabilities					
Deferred taxation	14	-		(71,792)	
			<u>-</u>		<u>(71,792)</u>
Net assets excluding pension asset			<u>(933,676)</u>		<u>1,343,651</u>
Net (liabilities)/assets			<u>(933,676)</u>		<u>1,343,651</u>
Capital and reserves					
Called up share capital	15		100		100
Revaluation reserve	16		-		1,436,884
Profit and loss account	16		(933,776)		(93,333)
			<u>(933,676)</u>		<u>1,343,651</u>

Aviemore Homes Limited
Registered number:SC281177

Balance Sheet (continued)

As at 31 March 2016

The director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act

The director acknowledges her responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements

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



20 December 2016

S Lakhani
Director

The notes on pages 8 to 21 form part of these financial statements

Statement of Changes in Equity

For the Year Ended 31 March 2016

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2015 (as previously stated)	100	1,436,884	(46,422)	1,390,562
Prior year adjustment	-	-	(46,911)	(46,911)
At 1 April 2015 (as restated)	100	1,436,884	(93,333)	1,343,651
Comprehensive income for the year				
Loss for the year	-	-	(840,443)	(840,443)
Deficit on revaluation of freehold property	-	(1,436,884)	-	(1,436,884)
Other comprehensive income for the year	-	(1,436,884)	-	(1,436,884)
Total comprehensive income for the year	-	(1,436,884)	(840,443)	(2,277,327)
At 31 March 2016	100	-	(933,776)	(933,676)

Statement of Changes in Equity

For the Year Ended 31 March 2015

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 August 2014	100	1,436,884	446,012	1,882,996
Comprehensive income for the period				
Loss for the period	-	-	(539,345)	(539,345)
Total comprehensive income for the period	-	-	(539,345)	(539,345)
At 31 March 2015	100	1,436,884	(93,333)	1,343,651

The notes on pages 8 to 21 form part of these financial statements

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. General information

Aviemore Homes Limited is private company limited by shares incorporated in Scotland. The registered office address is c/o DLA Piper Rudnick Gray Cary Scotland LLP, Collins House, Rutland Square, Edinburgh, EH1 2AA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of Freehold Property and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 20.

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 (see note 3).

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 March 2016.

The company transitioned from previously extant UK GAAP to FRS 102 at 1 August 2014. The last set of financial statements prepared under previous UK GAAP was for the period ended 31 March 2015.

The parent company, The Holmes Care (Group) Limited, has provided a guarantee over the liabilities of the company under section 479C of the Companies Act 2006 such that the company can claim exemption from audit under section 479A.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows,
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d),
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Holmes Care (Group) Limited as at 31 March 2016 and these financial statements may be obtained from Companies House.

2.3 Going concern

These financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends on finance from the ultimate parent company which has confirmed that it will continue to provide financial support. As a result, the director considers it appropriate for the financial statements to be prepared on the going concern basis.

Notes to the Financial Statements

For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.4 Revenue

Turnover comprises revenue recognised by the company in respect of the provision of care through the operation of a nursing home during the period. Revenue is recognised based on the period for which the care has been provided.

2.5 Tangible fixed assets

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

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% Straight Line
Plant and machinery	- 20% - 40% Straight Line
Furniture, fittings and equipment	- 20% - 40% Straight Line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.6 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.7 Debtors

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

Notes to the Financial Statements

For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

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

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

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

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

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

2.10 Creditors

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

2.11 Finance costs

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

Notes to the Financial Statements

For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.12 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.13 Provisions for liabilities

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

Provisions are charged as an expense to the Statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits, and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

Notes to the Financial Statements

For the Year Ended 31 March 2016

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

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The key areas of judgment and estimation uncertainty are set out below.

Revaluation of property

The company carries its freehold property at valuation, the directors engaged an independent valuation specialist to determine the fair value of the freehold property. Freehold property is valued on an open market value basis in accordance with the requirements of FRS 102.

Bad debt provision

The company makes a provision for bad debts in the financial statements. The bad debt provision is calculated based on the nature and the ageing of the debt.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging

	31 March 2016	8 months ended 31 March 2015
	£	£
Depreciation of tangible fixed assets	163,208	100,848
Defined contribution pension cost	4,543	727

During the year, no director received any emoluments (2015 - £NIL)

Notes to the Financial Statements

For the Year Ended 31 March 2016

6. Employees

Staff costs were as follows

	31 March 2016 £	8 months ended 31 March 2015 £
Wages and salaries	927,401	574,459
Social security costs	62,288	42,049
Cost of defined contribution scheme	4,543	727
	<u>994,232</u>	<u>617,235</u>

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

	31 March 2016 No.	8 months ended 31 March 2015 No.
	56	56

7. Interest payable and similar charges

	31 March 2016 £	8 months ended 31 March 2015 £
Bank interest payable	-	33,236
	<u>-</u>	<u>33,236</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

8. Taxation

	31 March 2016 £	8 months ended 31 March 2015 £
Corporation tax		
Current tax on profits for the year	11,651	-
	<u>11,651</u>	<u>-</u>
Total current tax	<u>11,651</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(86,765)	9,792
Total deferred tax	<u>(86,765)</u>	<u>9,792</u>
Taxation on (loss)/profit on ordinary activities	<u>(75,114)</u>	<u>9,792</u>

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below

	31 March 2016 £	8 months ended 31 March 2015 £
Loss on ordinary activities before tax	(915,557)	(529,553)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	(183,111)	(111,206)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	187,111	9,789
Capital allowances for year/period in excess of depreciation	(80,710)	14,616
Deferred tax adjustment to prior year	(67)	-
Adjust deferred tax to closing rate	1,663	-
Group relief	-	96,593
Total tax charge for the year/period	<u>(75,114)</u>	<u>9,792</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

9. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 April 2015	7,100,000	22,951	170,994	15,508	7,309,453
Additions	-	-	5,617	-	5,617
Revaluations	(2,725,000)	-	-	-	(2,725,000)
At 31 March 2016	<u>4,375,000</u>	<u>22,951</u>	<u>176,611</u>	<u>15,508</u>	<u>4,590,070</u>
Depreciation					
At 1 April 2015	278,400	19,475	146,709	14,323	458,907
Charge for period on owned assets	142,000	2,444	18,764	-	163,208
On revalued assets	(420,400)	-	-	-	(420,400)
At 31 March 2016	<u>-</u>	<u>21,919</u>	<u>165,473</u>	<u>14,323</u>	<u>201,715</u>
Net book value					
At 31 March 2016	<u>4,375,000</u>	<u>1,032</u>	<u>11,138</u>	<u>1,185</u>	<u>4,388,355</u>
At 31 March 2015	<u>6,821,600</u>	<u>3,476</u>	<u>24,285</u>	<u>1,185</u>	<u>6,850,546</u>

The net book value of land and buildings may be further analysed as follows

	2016 £	2015 £
Freehold	<u>4,375,000</u>	<u>6,821,600</u>
	<u>4,375,000</u>	<u>6,821,600</u>

Included in land and buildings is land of £1,158,450 (2015 £1,880,000) which is not depreciated

The freehold land and buildings were revalued in February 2016 by Jones Lang Lasalle, on an open market values basis, in accordance with the RICS Appraisal and Valuation Manual

Notes to the Financial Statements

For the Year Ended 31 March 2016

9. Tangible fixed assets (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	2016 £	2015 £
Cost	6,116,000	6,116,000
Accumulated depreciation	(649,520)	(564,800)
Net book value	5,466,480	5,551,200

10. Debtors

	2016 £	2015 £
Trade debtors	463,696	210,738
Amounts owed by group undertakings	672,729	1,035,532
Other debtors	-	3,541
Prepayments and accrued income	133,113	69,420
Tax recoverable	-	4,616
Deferred taxation	14,973	-
	1,284,511	1,323,847

11. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	62,018	4,883
	62,018	4,883

Notes to the Financial Statements

For the Year Ended 31 March 2016

12. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	126,024	84,651
Amounts owed to group undertakings	6,387,133	6,524,750
Corporation tax	11,726	-
Taxation and social security	1	1,923
Other creditors	735	1,427
Accruals and deferred income	142,941	151,082
	<u>6,668,560</u>	<u>6,763,833</u>

13. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	62,018	4,883
Financial assets that are debt instruments measured at amortised cost	1,267,474	1,308,329
	<u>1,329,492</u>	<u>1,313,212</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(6,644,620)	(6,760,601)
	<u>(6,644,620)</u>	<u>(6,760,601)</u>

Financial assets measured at amortised cost comprise cash and cash equivalents, trade debtors, amounts owed by group undertaking and other debtors

Financial Liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accruals

14. Deferred taxation

	2016 £
At beginning of year	(71,792)
Charged to the profit or loss	86,765
At end of year	<u>14,973</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

14. Deferred taxation (continued)

The deferred taxation balance is made up as follows

	2016 £	2015 £
Fixed asset timing differences	14,973	(71,792)
	<u>14,973</u>	<u>(71,792)</u>

15. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

Share capital represents the nominal value of shares that have been issued. The shares carry voting rights and an entitlement to dividends.

16. Reserves

Revaluation reserve

This reserve represents the surplus or deficit arising on the revaluation of an asset.

Profit and loss account

This includes all current and prior period retained profits and losses.

17. Prior year adjustment

It has been identified that as at 31 March 2015 wages and agency costs were under accrued by £46,911. This has been adjusted by way of a prior year adjustment which increases accruals and increases the loss for the prior year by this amount.

18. Related party transactions

As a subsidiary of The Holmes Care (Group) Limited, the company has taken advantage of the exemption in FRS 102 Related Party Disclosures not to disclose transactions with other members of the group headed by The Holmes Care (Group) Limited, since that company produces consolidated financial statements which are available to the public and which include The Holmes Care Limited.

Notes to the Financial Statements

For the Year Ended 31 March 2016

19. Ultimate parent undertaking and controlling party

The company's immediate and ultimate parent company is The Holmes Cate (Group) Limited, incorporated in England and Wales. Consolidated financial statements for this company are available from Companies House.

The Holmes Cate (Group) Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2016

20. First time adoption of FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 August 2014. The impact of the transition to FRS 102 is as follows

	Note	As previously stated 1 August 2014 £	Effect of transition 1 August 2014 £	FRS 102 (as restated) 1 August 2014 £	As previously stated 31 March 2015 £	Effect of transition 31 March 2015 £	FRS 102 (as restated) 31 March 2015 £
Fixed assets		6,946,684	-	6,946,684	6,850,546	-	6,850,546
Current assets		2,594,244	-	2,594,244	1,328,730	-	1,328,730
Creditors amounts falling due within one year		(7,572,979)	(22,953)	(7,595,932)	(6,709,859)	(53,974)	(6,763,833)
Net current liabilities		(4,978,735)	(22,953)	(5,001,688)	(5,381,129)	(53,974)	(5,435,103)
Total assets less current liabilities		1,967,949	(22,953)	1,944,996	1,469,417	(53,974)	1,415,443
Provisions for liabilities		(62,000)	-	(62,000)	(71,792)	-	(71,792)
Net assets		1,905,949	(22,953)	1,882,996	1,397,625	(53,974)	1,343,651
Capital and reserves		1,905,949	(22,953)	1,882,996	1,397,625	(53,974)	1,343,651

Notes to the Financial Statements

For the Year Ended 31 March 2016

20. First time adoption of FRS 102 (continued)

	Note	As previously stated 31 March 2015 £	Effect of transition 31 March 2015 £	FRS 102 (as restated) 31 March 2015 £
Turnover		934,119	-	934,119
Cost of sales		(993,887)	(31,021)	(1,024,908)
		(59,768)	(31,021)	(90,789)
Administrative expenses		(405,528)	-	(405,528)
Operating profit		(465,296)	(31,021)	(496,317)
Interest payable and similar charges		(33,236)	-	(33,236)
Taxation		(9,792)	-	(9,792)
Loss on ordinary activities after taxation and for the financial period		(508,324)	(31,021)	(539,345)

Explanation of changes to previously reported profit and equity

- Under FRS 102, the company is required to accrue for the cost of employee's untaken annual leave. This adjustment also includes the impact of the prior year adjustment, see note 17 for further details