

Company Registration No. 05766556 (England and Wales)

ROSELOCK HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017



ROSELOCK HOLDINGS LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | Mr A J Philp Mr. L Philp |
| Company number | 05766556 |
| Registered office | Number One Vicarage Lane London England E15 4HF |
| Auditor | LB Group Number One Vicarage Lane London England E15 4HF |

ROSELOCK HOLDINGS LIMITED

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ROSELOCK HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2017

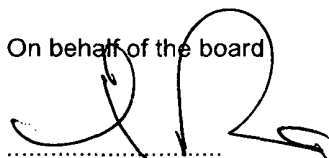
The directors present the strategic report for the year ended 30 April 2017.

Fair review of the business

The Group has had an increase in turnover in the year which the gross margin being comparable to the previous year.

In the current year the Group expects to show similar results.

On behalf of the board



.....
Mr. L Philp

Director

23/1/18
.....

ROSELOCK HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2017

The directors present their annual report and financial statements for the year ended 30 April 2017.

Principal activities and business review

The principal activity of the company during the year was that of a holding company.

The Group has suffered a reduction in turnover and gross margin in the year. The Group was able to increase the pre tax profit of the business.

In the current year the Group expects to show similar results.

Directors

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

Mr A J Philp

Mr. L Philp

Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Financial Instruments

The Group is exposed to minimum financial risks from its operations and investments. The Group's risk management is coordinated to secure the short to medium term cash flows minimising its exposure to financial markets. The Group does not engage in the trading of financial assets for speculative purposes nor does it trade in options.

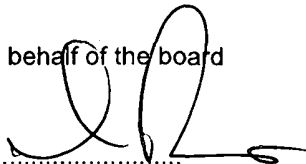
Auditor

The auditor is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 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 is aware of that information.

On behalf of the board



Mr. L Philp

Director

23/1/18

ROSELOCK HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2017

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.

ROSELOCK HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ROSELOCK HOLDINGS LIMITED

We have audited the financial statements of Roselock Holdings Limited for the year ended 30 April 2017 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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, 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 30 April 2017 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.

ROSELOCK HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ROSELOCK HOLDINGS 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.



Mark Middleton (Senior Statutory Auditor)
for and on behalf of LB Group

231118

Chartered Accountants
Statutory Auditor

ROSELOCK HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2017

| | Notes | 2017 £ | 2016 £ |
|---------------------------------------|-------|-----------------------|-----------------------|
| Turnover | 3 | 2,679,854 | 2,498,447 |
| Cost of sales | | (411,316) | (362,692) |
| Gross profit | | <u>2,268,538</u> | <u>2,135,755</u> |
| Administrative expenses | | (1,909,460) | (1,563,507) |
| Operating profit | 4 | <u>359,078</u> | <u>572,248</u> |
| Interest payable and similar expenses | 7 | (24,508) | (29,671) |
| Profit before taxation | | <u>334,570</u> | <u>542,577</u> |
| Tax on profit | 8 | (84,988) | (261,432) |
| Profit for the financial year | 21 | <u><u>249,582</u></u> | <u><u>281,145</u></u> |

Profit for the financial year is all attributable to the owners of the parent company.

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

ROSELOCK HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2017

| | 2017 £ | 2016 £ |
|---|----------------|----------------|
| Profit for the year | 249,582 | 281,145 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | <u>249,582</u> | <u>281,145</u> |

Total comprehensive income for the year is all attributable to the owners of the parent company.

ROSELOCK HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 30 APRIL 2017

| | Notes | 2017 £ | £ | 2016 £ | £ |
|--|-------|------------------|-------------------------|------------------|-------------------------|
| Fixed assets | | | | | |
| Goodwill | 9 | | 402,853 | | 445,051 |
| Tangible assets | 10 | | 346,634 | | 369,204 |
| Investment properties | 11 | | 1,580,000 | | 1,580,000 |
| | | | <u>2,329,487</u> | | <u>2,394,255</u> |
| Current assets | | | | | |
| Debtors | 15 | 1,063,839 | | 535,737 | |
| Cash at bank and in hand | | 567,629 | | 944,465 | |
| | | <u>1,631,468</u> | | <u>1,480,202</u> | |
| Creditors: amounts falling due within one year | 16 | (692,761) | | (660,382) | |
| Net current assets | | | <u>938,707</u> | | <u>819,820</u> |
| Total assets less current liabilities | | | <u>3,268,194</u> | | <u>3,214,075</u> |
| Creditors: amounts falling due after more than one year | 17 | | (1,250,222) | | (1,445,685) |
| Net assets | | | <u><u>2,017,972</u></u> | | <u><u>1,768,390</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 20 | | 2 | | 2 |
| Profit and loss reserves | 21 | | 2,017,970 | | 1,768,388 |
| Total equity | | | <u><u>2,017,972</u></u> | | <u><u>1,768,390</u></u> |

The financial statements were approved by the board of directors and authorised for issue on 23/1/18 and are signed on its behalf by:


Mr A J Philp
Director

ROSELOCK HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 30 APRIL 2017

| | Notes | 2017 £ | £ | 2016 £ | £ |
|--|-------|------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Investment properties | 11 | 1,580,000 | | 1,580,000 | |
| Investments | 12 | 1,912,500 | | 1,912,500 | |
| | | <u>3,492,500</u> | | <u>3,492,500</u> | |
| Current assets | | | | | |
| Debtors | 15 | 537,234 | | (1) | |
| Cash at bank and in hand | | 91,740 | | 650,302 | |
| | | <u>628,974</u> | | <u>650,301</u> | |
| Creditors: amounts falling due within one year | 16 | (1,909,011) | | (1,835,347) | |
| Net current liabilities | | | (1,280,037) | | (1,185,046) |
| Total assets less current liabilities | | | <u>2,212,463</u> | | <u>2,307,454</u> |
| Creditors: amounts falling due after more than one year | 17 | | (1,250,222) | | (1,445,685) |
| Net assets | | | <u>962,241</u> | | <u>861,769</u> |
| Capital and reserves | | | | | |
| Called up share capital | 20 | | 2 | | 2 |
| Profit and loss reserves | 21 | | 962,239 | | 861,767 |
| Total equity | | | <u>962,241</u> | | <u>861,769</u> |

ROSELOCK HOLDINGS LIMITED

COMPANY BALANCE SHEET (CONTINUED)

AS AT 30 APRIL 2017

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 £100,472 (2016 - £96,241 profit).

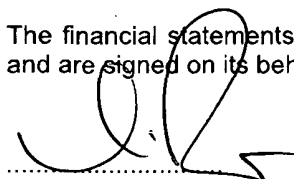
The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 April 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements:

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 23/1/18 and are signed on its behalf by:



Mr A J Philp
Director

Company Registration No. 05766556

ROSELOCK HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2017

| | Share capital £ | Profit and loss reserves £ | Total £ |
|--|-----------------------|-------------------------------------|------------|
| Balance at 1 May 2015 | 2 | 1,487,243 | 1,487,245 |
| Year ended 30 April 2016: | | | |
| Profit and total comprehensive income for the year | - | 281,145 | 281,145 |
| Balance at 30 April 2016 | 2 | 1,768,388 | 1,768,390 |
| Year ended 30 April 2017: | | | |
| Profit and total comprehensive income for the year | - | 249,582 | 249,582 |
| Balance at 30 April 2017 | 2 | 2,017,970 | 2,017,972 |

ROSELOCK HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2017

| | Share capital £ | Profit and loss reserves £ | Total £ |
|--|-----------------------|-------------------------------------|------------|
| Balance at 1 May 2015 | 2 | 765,526 | 765,528 |
| Year ended 30 April 2016: | | | |
| Profit and total comprehensive income for the year | - | 96,241 | 96,241 |
| Balance at 30 April 2016 | 2 | 861,767 | 861,769 |
| Year ended 30 April 2017: | | | |
| Profit and total comprehensive income for the year | - | 100,472 | 100,472 |
| Balance at 30 April 2017 | 2 | 962,239 | 962,241 |

ROSELOCK HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2017

| | Notes | 2017 £ | £ | 2016 £ | £ |
|---|-------|-----------|-----------|-----------|-----------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 22 | | 52,565 | | 622,175 |
| Interest paid | | | (24,508) | | (29,671) |
| Income taxes paid | | | (255,256) | | (61,000) |
| Net cash (outflow)/inflow from operating activities | | | (227,199) | | 531,504 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (8,681) | | (78,189) | |
| Net cash used in investing activities | | | (8,681) | | (78,189) |
| Financing activities | | | | | |
| Repayment of bank loans | | (140,956) | | (135,956) | |
| Net cash used in financing activities | | | (140,956) | | (135,956) |
| Net (decrease)/increase in cash and cash equivalents | | | (376,836) | | 317,359 |
| Cash and cash equivalents at beginning of year | | | 944,463 | | 627,104 |
| Cash and cash equivalents at end of year | | | 567,627 | | 944,463 |
| Relating to: | | | | | |
| Cash at bank and in hand | | | 567,629 | | 944,465 |
| Bank overdrafts included in creditors payable within one year | | | (2) | | (2) |

ROSELOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

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 £100,472 (2016 - £96,241 profit).

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. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

ROSELOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Roselock Holdings 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 30 April 2017. 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.

Roselock Limited has been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of Roselock Limited for the year. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company 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

The turnover shown in the profit and loss account represents amounts invoiced during the year.

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 20 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.

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.

ROSELOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

(Continued)

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 | Over 40 years |
| Fixtures, fittings & equipment | 15% reducing balance |
| Computer equipment | Over 4 years |
| Motor vehicles | Over 5 years |

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 Investment properties

Investment properties are included in the balance sheet at their open market value. Depreciation is only provided on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

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.

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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

ROSELOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

(Continued)

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 Impairment of fixed assets

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

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.

ROSELOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

3 Turnover and other revenue

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

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Turnover analysed by class of business | | |
| Turnover | 2,679,854 | 2,498,447 |

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Turnover analysed by geographical market | | |
| United Kingdom | 2,679,854 | 2,498,447 |

4 Operating profit

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Operating profit for the year is stated after charging: | | |
| Depreciation of owned tangible fixed assets | 31,251 | 41,306 |
| Amortisation of intangible assets | 42,198 | 42,918 |
| Operating lease charges | 54,775 | 52,270 |

5 Auditor's remuneration

| | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Fees payable to the company's auditor and associates: | | |
| For audit services | | |
| Audit of the financial statements of the group and company | 12,050 | 16,350 |

6 Employees

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

| Group 2017 Number | 2016 Number | Company 2017 Number | 2016 Number |
|-------------------------|----------------|---------------------------|----------------|
| 53 | 51 | - | - |

ROSELOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

6 Employees

(Continued)

Their aggregate remuneration comprised:

| | Group 2017 £ | 2016 £ | Company 2017 £ | 2016 £ |
|--------------------|--------------------|------------------|----------------------|-----------|
| Wages and salaries | 1,346,853 | 1,035,526 | - | - |
| Pension costs | 130,658 | 130,737 | - | - |
| | <u>1,477,511</u> | <u>1,166,263</u> | <u>-</u> | <u>-</u> |

7 Interest payable and similar expenses

| | 2017 £ | 2016 £ |
|--|---------------|---------------|
| Interest on financial liabilities measured at amortised cost: | | |
| Interest on bank overdrafts and loans | <u>24,508</u> | <u>29,671</u> |

8 Taxation

| | 2017 £ | 2016 £ |
|--|---------------|----------------|
| Current tax | | |
| UK corporation tax on profits for the current period | 84,988 | 111,432 |
| Adjustments in respect of prior periods | - | 150,000 |
| Total current tax | <u>84,988</u> | <u>261,432</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:

| | 2017 £ | 2016 £ |
|--|----------------|----------------|
| Profit before taxation | <u>334,570</u> | <u>542,577</u> |
| Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%) | 66,914 | 108,515 |
| Tax effect of expenses that are not deductible in determining taxable profit | 20,809 | 8,832 |
| Permanent capital allowances in excess of depreciation | (2,735) | (5,915) |
| Under/(over) provided in prior years | - | 150,000 |
| Taxation charge for the year | <u>84,988</u> | <u>261,432</u> |

ROSELOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

9 Intangible fixed assets

| Group | Goodwill £ |
|------------------------------------|---------------|
| Cost | |
| At 1 May 2016 and 30 April 2017 | 858,357 |
| Amortisation and impairment | |
| At 1 May 2016 | 413,306 |
| Amortisation charged for the year | 42,198 |
| At 30 April 2017 | 455,504 |
| Carrying amount | |
| At 30 April 2017 | 402,853 |
| At 30 April 2016 | 445,051 |

The company had no intangible fixed assets at 30 April 2017 or 30 April 2016.

10 Tangible fixed assets

| Group | Land and buildings Freehold £ | Fixtures, fittings & equipment £ | Computer equipment £ | Motor vehicles £ | Total £ |
|------------------------------------|--|---|----------------------------|------------------------|------------|
| Cost | | | | | |
| At 1 May 2016 | 325,889 | 315,418 | 71,797 | 100,805 | 813,909 |
| Additions | - | 8,681 | - | - | 8,681 |
| At 30 April 2017 | 325,889 | 324,099 | 71,797 | 100,805 | 822,590 |
| Depreciation and impairment | | | | | |
| At 1 May 2016 | 97,795 | 192,538 | 71,797 | 82,575 | 444,705 |
| Depreciation charged in the year | 5,147 | 19,734 | - | 6,370 | 31,251 |
| At 30 April 2017 | 102,942 | 212,272 | 71,797 | 88,945 | 475,956 |
| Carrying amount | | | | | |
| At 30 April 2017 | 222,947 | 111,827 | - | 11,860 | 346,634 |
| At 30 April 2016 | 228,094 | 122,881 | - | 18,229 | 369,204 |

The company had no tangible fixed assets at 30 April 2017 or 30 April 2016.

ROSELOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

11 Investment property

| | Group 2017 £ | Company 2017 £ |
|---------------------------------|--------------------|----------------------|
| Fair value | | |
| At 1 May 2016 and 30 April 2017 | 1,580,000 | 1,580,000 |

Investment property comprises Broomhill Lodge, The Old Registry and Highview House. The fair value of the investment properties have been arrived at on the basis of a valuation carried out by the director.

12 Fixed asset investments

| | Notes | Group 2017 £ | 2016 £ | Company 2017 £ | 2016 £ |
|-----------------------------|-------|--------------------|-----------|----------------------|-----------|
| Investments in subsidiaries | 13 | - | - | 1,912,500 | 1,912,500 |

Movements in fixed asset investments

| Company | Shares in group undertakings £ |
|---------------------------------|---|
| Cost or valuation | |
| At 1 May 2016 and 30 April 2017 | 1,912,500 |
| Carrying amount | |
| At 30 April 2017 | 1,912,500 |
| At 30 April 2016 | 1,912,500 |

13 Subsidiaries

Details of the company's subsidiaries at 30 April 2017 are as follows:

| Name of undertaking and country of incorporation or residency | Nature of business | Class of shareholding | % Held Direct Indirect |
|--|---|--------------------------|---------------------------|
| Roselock Limited England | Caring for people with learning disabilities | Ordinary | 100.00 |

ROSELOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

14 Financial instruments

| | Group 2017 £ | 2016 £ | Company 2017 £ | 2016 £ |
|---|--------------------|-----------|----------------------|-----------|
| Carrying amount of financial assets | | | | |
| Debt instruments measured at amortised cost | 1,063,484 | 534,324 | 537,234 | - |
| Carrying amount of financial liabilities | | | | |
| Measured at amortised cost | 1,831,871 | 1,825,571 | 3,134,317 | 3,257,062 |

15 Debtors

| | Group 2017 £ | 2016 £ | Company 2017 £ | 2016 £ |
|---|--------------------|-----------|----------------------|-----------|
| Amounts falling due within one year: | | | | |
| Trade debtors | 143,398 | 121,472 | - | (1) |
| Other debtors | 920,086 | 412,852 | 537,234 | - |
| Prepayments and accrued income | 355 | 1,413 | - | - |
| | 1,063,839 | 535,737 | 537,234 | (1) |

16 Creditors: amounts falling due within one year

| | Notes | Group 2017 £ | 2016 £ | Company 2017 £ | 2016 £ |
|------------------------------------|-------|--------------------|-----------|----------------------|-----------|
| Bank loans and overdrafts | 18 | 190,135 | 135,628 | 190,133 | 135,626 |
| Amounts due to group undertakings | | - | - | 1,684,795 | 1,645,198 |
| Corporation tax payable | | 91,217 | 261,485 | 24,916 | 23,970 |
| Other taxation and social security | | 19,895 | 19,011 | - | - |
| Other creditors | | 88,249 | 229,073 | - | 21,386 |
| Accruals and deferred income | | 303,265 | 15,185 | 9,167 | 9,167 |
| | | 692,761 | 660,382 | 1,909,011 | 1,835,347 |

17 Creditors: amounts falling due after more than one year

| | Notes | Group 2017 £ | 2016 £ | Company 2017 £ | 2016 £ |
|---------------------------|-------|--------------------|-----------|----------------------|-----------|
| Bank loans and overdrafts | 18 | 1,250,222 | 1,445,685 | 1,250,222 | 1,445,685 |

ROSELOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

18 Loans and overdrafts

| | Group 2017 £ | 2016 £ | Company 2017 £ | 2016 £ |
|-------------------------|--------------------|------------------|----------------------|------------------|
| Bank loans | 1,440,355 | 1,581,311 | 1,440,355 | 1,581,311 |
| Bank overdrafts | 2 | 2 | - | - |
| | <u>1,440,357</u> | <u>1,581,313</u> | <u>1,440,355</u> | <u>1,581,311</u> |
| Payable within one year | 190,135 | 135,628 | 190,133 | 135,626 |
| Payable after one year | <u>1,250,222</u> | <u>1,445,685</u> | <u>1,250,222</u> | <u>1,445,685</u> |

The long-term loans are secured by way of fixed and floating charges over the assets of the company.

19 Retirement benefit schemes

| | 2017 £ | 2016 £ |
|---|----------------|----------------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | <u>130,658</u> | <u>130,737</u> |

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.

20 Share capital

| | Group and company 2017 £ | 2016 £ |
|-------------------------------|--------------------------------|-----------|
| Ordinary share capital | | |
| Issued and fully paid | | |
| 200 Ordinary A of 1p each | <u>2</u> | <u>2</u> |

21 Profit and loss reserves

| | Group 2017 £ | 2016 £ | Company 2017 £ | 2016 £ |
|------------------------------|--------------------|------------------|----------------------|----------------|
| At the beginning of the year | 1,768,388 | 1,487,243 | 861,767 | 765,526 |
| Profit for the year | <u>249,582</u> | <u>281,145</u> | <u>100,472</u> | <u>96,241</u> |
| At the end of the year | <u>2,017,970</u> | <u>1,768,388</u> | <u>962,239</u> | <u>861,767</u> |

ROSELOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

22 Cash generated from group operations

| | 2017 £ | 2016 £ |
|--|---------------|----------------|
| Profit for the year after tax | 249,582 | 281,145 |
| Adjustments for: | | |
| Taxation charged | 84,988 | 261,432 |
| Finance costs | 24,508 | 29,671 |
| Amortisation and impairment of intangible assets | 42,198 | 42,918 |
| Depreciation and impairment of tangible fixed assets | 31,251 | 41,306 |
| Movements in working capital: | | |
| (Increase)/decrease in debtors | (528,102) | 78,487 |
| Increase/(decrease) in creditors | 148,140 | (112,784) |
| Cash generated from operations | <u>52,565</u> | <u>622,175</u> |