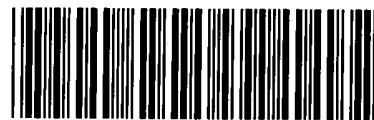


R H INDEPENDENT HEALTHCARE LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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COMPANIES HOUSE



MHA MacIntyre Hudson

GLOBAL EXPERTISE • NATIONAL EXPERIENCE • LOCAL EXCELLENCE*

R H INDEPENDENT HEALTHCARE LIMITED

COMPANY INFORMATION

Director	P Sodhi
Registered number	SC110004
Registered office	Rawyards House Motherwell Road Airdrie ML6 7HP
Independent auditors	MHA MacIntyre Hudson Chartered Accountants New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ

R H INDEPENDENT HEALTHCARE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Introduction

The director presents the strategic report and the financial statements for the year ended 31 December 2016.

Business review

RH Independent Healthcare Limited operates an 88 bed care home called Rawyards House care home which is regulated by the Care Inspectorate.

During the year, the home was rated a 2-3, and has had its rating improved to a 4 rating post year end.

Revenue increased in the year from £1,969,000 to £2,591,000 as a result of increased occupancy and fee rates. This translated into an increase in operating profit to £368,726 (2015: £366,008 loss).

There were no significant post balance sheet events or significant future developments planned for the Company.

Principal risks and uncertainties

Management monitors risks on a weekly and monthly basis. The primary concern of the management is the quality of care. There are dedicated regional managers and Operational Directors responsible for supporting the Home in provision of high quality services.

The major financial risk to the company is the increase in its cost base, often exceeding the rate of inflation, primarily relating to the National Living Wage (which increased by a further 4.2% in April 2017).

The Company is exposed to credit risk with its customers, albeit major customers are public sector, and therefore with limited credit risk.

Pricing risk is limited to the risk associated with negotiating annual price increases.

Liquidity and cashflow risk could arise in the event of a downturn in trading. However, in this event, sister companies in the group can provide liquidity if required.

Financial and other key performance indicators

The key financial and operational performance indicators monitored by management include regulatory reviews, internal quality reviews, occupancy ratios, average weekly fees and cost to revenue ratios.

This report was approved by the board and signed on its behalf.


.....
P Sodhi
Director

Date: 29/9/17

R H INDEPENDENT HEALTHCARE LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The director presents his report and the financial statements for the year ended 31 December 2016.

Director's responsibilities statement

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that he gives 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 director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £240,771 (2015 - loss £479,114).

Directors

The directors who served during the year were:

P Sodhi

P Russell (appointed 23 March 2016, resigned 30 March 2017)

Future developments

Future developments are detailed in the strategic report.

Matters covered in the strategic report

The company has chosen to include several items in the strategic report which would otherwise be required to be disclosed in the Directors' report. These include information on the exposure to price risk, credit risk, liquidity risk and cash flow risk and an indication of likely future developments in the business of the company.

R H INDEPENDENT HEALTHCARE LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Disclosure of information to auditors

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

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.


Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

 29/1/2017
P Sodhi
Director

Date:

R H INDEPENDENT HEALTHCARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF R H INDEPENDENT HEALTHCARE LIMITED

We have audited the financial statements of R H Independent Healthcare Limited for the year ended 31 December 2016, set out on pages 6 to 21. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's shareholder 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 shareholder those matters we are required to state to them in an Auditors' 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 shareholder for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Director's responsibilities statement on page 2, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council'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 Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Director's 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 Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

R H INDEPENDENT HEALTHCARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF R H INDEPENDENT HEALTHCARE LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Director's report.

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, 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; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

MHA MacIntyre Hudson

Rakesh Shaunak (FCA) (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date: 29 SEP 2017

R H INDEPENDENT HEALTHCARE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Turnover	4	2,591,703	1,969,270
Cost of sales		(1,794,122)	(1,891,319)
Gross profit		797,581	77,951
Administrative expenses		(428,855)	(443,959)
Operating profit/(loss)		368,726	(366,008)
Interest receivable and similar income	8	32	188
Interest payable and expenses	9	(127,987)	(113,294)
Profit/(loss) before tax		240,771	(479,114)
Profit/(loss) for the year		240,771	(479,114)

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015:£NIL).


The notes on pages 10 to 21 form part of these financial statements.

R H INDEPENDENT HEALTHCARE LIMITED
REGISTERED NUMBER: SC110004

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	2,938,499	2,974,743
		<u>2,938,499</u>	<u>2,974,743</u>
Current assets			
Debtors: amounts falling due within one year	12	6,741,527	6,587,291
Cash at bank and in hand		82,117	43,348
		<u>6,823,644</u>	<u>6,630,639</u>
Creditors: amounts falling due within one year	13	(2,621,344)	(2,425,354)
Net current assets		<u>4,202,300</u>	<u>4,205,285</u>
Total assets less current liabilities		<u>7,140,799</u>	<u>7,180,028</u>
Creditors: amounts falling due after more than one year	14	(3,430,000)	(3,710,000)
Net assets		<u><u>3,710,799</u></u>	<u><u>3,470,028</u></u>
Capital and reserves			
Called up share capital		85	85
Other reserves		15	15
Profit and loss account		3,710,699	3,469,928
		<u><u>3,710,799</u></u>	<u><u>3,470,028</u></u>

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


P Sodhi
 Director

29/1/2017

Date:

The notes on pages 10 to 21 form part of these financial statements.

R H INDEPENDENT HEALTHCARE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	85	15	3,949,042	3,949,142
Comprehensive income for the year				
Loss for the year	-	-	(479,114)	(479,114)
Total comprehensive income for the year	-	-	(479,114)	(479,114)
At 1 January 2016	85	15	3,469,928	3,470,028
Comprehensive income for the year				
Profit for the year	-	-	240,771	240,771
Total comprehensive income for the year	-	-	240,771	240,771
At 31 December 2016	85	15	3,710,699	3,710,799

R H INDEPENDENT HEALTHCARE LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 £	2015 £
Cash flows from operating activities		
Profit/(loss) for the financial year	240,771	(479,114)
Adjustments for:		
Depreciation of tangible assets	71,055	72,231
Interest paid	127,987	113,294
Interest received	(32)	(188)
(Increase)/decrease in debtors	(139,407)	90,667
(Increase)/decrease in amounts owed by groups	(14,831)	45,550
(Decrease)/increase in creditors	(150,180)	147,026
Increase in amounts owed to groups	346,170	364,050
Net cash generated from operating activities	481,533	353,516
Cash flows from investing activities		
Purchase of tangible fixed assets	(34,809)	(31,199)
Interest received	32	188
Net cash from investing activities	(34,777)	(31,011)
Cash flows from financing activities		
Repayment of loans	(280,000)	(210,000)
Interest paid	(127,987)	(113,294)
Net cash used in financing activities	(407,987)	(323,294)
Net increase/(decrease) in cash and cash equivalents	38,769	(789)
Cash and cash equivalents at beginning of year	43,348	44,137
Cash and cash equivalents at the end of year	82,117	43,348
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	82,117	43,348
	82,117	43,348

R H INDEPENDENT HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

R H Independent Healthcare Limited is a private company limited by shares, incorporated in England and Wales. The registered office is shown on the information page of these financial statements. The principal activity of the company during the year was that of a residential care home.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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 21.

The functional and presentational currency of the company is sterling (£). All values in the financial statements are rounded to the nearest £1.

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 following principal accounting policies have been applied:

2.2 Revenue

Turnover comprises revenue recognised by the company in respect of care services supplied during the year. Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- 2% Reducing balance
Motor vehicles	- 20% Reducing balance
Fixtures and fittings	- 15% Reducing balance
Computer equipment	- 33% Reducing balance

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.

2.4 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.

2.5 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.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.6 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.6 Financial instruments (continued)

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 of the recoverable amount, 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.

2.7 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.

2.8 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

2.9 Leased assets: the Company as lessee

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

R H INDEPENDENT HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)**2.10 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 payment 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.

2.11 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.12 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

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

No significant judgements have been made by management in preparing these financial statements.

4. Turnover

All turnover arose within the United Kingdom.

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	71,055	72,231
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	7,200	(1,500)
Defined contribution pension cost	10,312	9,016
	=====	=====

R H INDEPENDENT HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. Employees

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

	2016 £	2015 £
Wages and salaries	1,634,868	1,670,665
Social security costs	97,310	92,533
Cost of defined contribution scheme	10,312	9,016
	<u>1,742,490</u>	<u>1,772,214</u>

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

	2016 No.	2015 No.
Care Home Staff	91	92
Management Staff	1	1
	<u>92</u>	<u>93</u>

7. Director's remuneration

	2016 £	2015 £
Director's emoluments	23,284	8,472
	<u>23,284</u>	<u>8,472</u>

8. Interest receivable

	2016 £	2015 £
Other interest receivable	32	188
	<u>32</u>	<u>188</u>

R H INDEPENDENT HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

9. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	127,987	113,294
	<u>127,987</u>	<u>113,294</u>

10. Taxation

	2016 £	2015 £
Total current tax	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

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

	2016 £	2015 £
Profit/(loss) on ordinary activities before tax	<u>240,771</u>	<u>(479,114)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	48,154	(95,823)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	30	-
Capital allowances for year in excess of depreciation	(1,215)	(8,356)
Utilisation of tax losses	(46,963)	-
Short term timing difference leading to an increase (decrease) in taxation	-	(126)
Unrelieved tax losses carried forward	-	41,462
Group relief	(6)	62,843
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 17% (effective from 1 April 2020) were substantively enacted on 15 September 2016. This may reduce the company's future tax charge accordingly.

R H INDEPENDENT HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

11. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2016	3,505,866	23,000	839,953	400	4,369,219
Additions	-	-	34,811	-	34,811
At 31 December 2016	3,505,866	23,000	874,764	400	4,404,030
Depreciation					
At 1 January 2016	867,055	20,638	506,783	-	1,394,476
Charge for the year on owned assets	17,718	-	53,337	-	71,055
At 31 December 2016	884,773	20,638	560,120	-	1,465,531
Net book value					
At 31 December 2016	2,621,093	2,362	314,644	400	2,938,499
At 31 December 2015	2,638,811	2,362	333,170	400	2,974,743

12. Debtors

	2016 £	2015 £
Trade debtors	252,830	78,780
Amounts owed by group undertakings	6,267,910	6,253,080
Other debtors	182,198	214,483
Prepayments and accrued income	38,589	40,948
	6,741,527	6,587,291

R H INDEPENDENT HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

13. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans	280,000	280,000
Trade creditors	116,570	146,162
Amounts owed to group undertakings	2,003,803	1,657,633
Other taxation and social security	38,994	83,047
Other creditors	69,699	72,930
Accruals and deferred income	112,278	185,582
	<u>2,621,344</u>	<u>2,425,354</u>

14. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Bank loans	3,430,000	3,710,000
	<u>3,430,000</u>	<u>3,710,000</u>

Secured loans

A combined loan facility of £28,500,000 from Lloyds was taken out during 2013 by R H Independent Healthcare Ltd, Trees Park (Kenyon) Ltd, Trees Park (Callands) Ltd, Benster Limited, Wadis Limited, Walgrove Limited and Wymond Limited. The outstanding balance of £3,710,000 (2015: £3,990,000) belonging to R H Independent Healthcare Ltd is secured against the Rawyards Nursing Home.

R H INDEPENDENT HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

15. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Bank loans	280,000	280,000
	<u>280,000</u>	<u>280,000</u>
Amounts falling due 1-2 years		
Bank loans	3,430,000	3,710,000
	<u>3,430,000</u>	<u>3,710,000</u>
	<u>3,710,000</u>	<u>3,990,000</u>

16. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	435,028	293,263
	<u>435,028</u>	<u>293,263</u>
Financial liabilities		
Financial liabilities measured at amortised cost	3,896,269	4,209,092
	<u>3,896,269</u>	<u>4,209,092</u>

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise loans, trade and other creditors.

R H INDEPENDENT HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

17. Share capital

	2016 £	2015 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
85 Ordinary shares of £1 each	<u>85</u>	<u>85</u>

18. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £10,312 (2015 - £9,016). Contributions totalling £6,733 (2015 - £3,499) were payable to the fund at the balance sheet date and are included in creditors.

R H INDEPENDENT HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

19. Related party transactions

At the year end the amount of £27,005 (2015: £27,254) was due to Applecroft Care Home Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £19,053 (2015: £4,060 (due to)) was due from Barleycroft Care Home Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £98,623 (2015: £31,015) was due to Abbey Healthcare (Cromwell) Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £368,174 (2015: £302,417) was due from Abbey Healthcare Homes (East Kilbride) Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £61,277 (2015: £50,807) was due from Elmcroft Care Home Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £437,579 (2015: £483,951) was due to Abbey Healthcare (Farnworth) Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £966,263 (2015: £769,785) was due to Abbey Healthcare (Huntingdon) Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £73,603 (2015: £38,894) was due from Abbey Healthcare (Knebworth) Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £26,465 (2015: £90,976) was due to Abbey Healthcare (Kendal) Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £391,032 (2015: £394,560) was due from Trees Park (East Ham) Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £8,103 (2015: £61,298 (due to)) was due from Trees Park (Kenyon) Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £24,169 (2015: £31,780 (due from)) was due to Abbey Healthcare Homes Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £201,618 (2015: £102,473) was due to Abbey Healthcare (Westmoreland) Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £167,071 (2015: £49,064) was due to Abbey Healthcare (Aaron Court), a fellow subsidiary of Lansbury Limited.

At the year end the amount of £37,756 (2015: £37,756) was due to Trees Park (Callands) Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £2,040 (2015: £Nil) was due from Abbey Healthcare (Procurement) Ltd, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £11,104 (2015: £11,104) was due from Benster Limited, a fellow subsidiary of Lansbury Limited.

At the year end the amount of £5,344,630 (2015: £5,344,630) was due from Browgil Limited, a fellow subsidiary of Lansbury Limited.

R H INDEPENDENT HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

20. Controlling party

The company was under the control of the Trustees of the Prabhdyal Sodhi Overseas Settlement throughout the year, an entity based in Gibraltar.

The immediate parent company of R H Independent Healthcare Limited is Browgil Limited.

21. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on total equity or profit or loss. However, the previous revaluation reserve of £591,349 has been transferred to the profit and loss reserve under FRS 102 section 35 exemptions, which allow the revaluation of the property to be treated as deemed cost.