Registration number: 01488490

PPP Taking Care Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019

PPP Taking Care Limited

Contents

PPP Taking Care Limited

Company Information

Directors	T. N. Garrad M. A. Vardy S. J. Gates M. Dalby
Registered office	5 Old Broad Street London EC2N 1AD
Auditors	Mazars LLP Chartered Accountants and Statutory Auditor Tower Bridge House St Katharine's Way London E1W 1DD

PPP Taking Care Limited

Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for PPP Taking Care Limited ("the Company") for the year ended 31 December 2019.

Principal activity
The principal activity of the Company is the marketing, installation, monitoring and maintenance of telecare systems for the elderly. The customers are individuals diagnosed with a physical disability or chronic condition, who use the alarm service for peace of mind and the continued freedom to live in their own homes.

The Company is an accredited member of the Telecare Services Association ("TSA") which sets the TSA Telecare Code of Practice, ensuring that members are quality accredited to operate at a high standard and consistently adhere to best practice. The Company is inspected annually by TSA and met compliance at the latest inspection.

The Company holds ISO 9001 accreditation, which is a quality management certification for organisations who want to prove their ability to consistently provide products and services that meet the needs of their customers and other relevant stakeholders.

Review of the business
The turnover has increased to £10,783k for the financial year ended 31 December 2019 (2018: £9,822k), in addition to increases in both cost of sales and administration expenses of £1,148k to £11,720k (2018: £10,572k), resulting in a loss before tax of £809k (2018: loss of £638k).

The Company made significant investment in its infrastructure and proposition during the year to support planned future growth.

Business environment

With the aged population currently at its highest level, the need for telecare systems is growing.

Strategy
The Company continuously strives to improve the quality and efficiency of service to customers, by ensuring that processes are customer centric to meet the needs of customers.

The company's key financial and other performance indicators during the year were as follows:

		2019	2018
Loss on ordinary activities before taxation	£ 000	(809)	(638)
Turnover	£ 000	10,783	9,822
Current ratio (current assets to current liabilities)		1	1

Principal risks and uncertainties
The AXA UK Group has an established process for risk acceptance and risk management, which is addressed through a framework of policies, procedures and internal controls. All policies are subject to ongoing review by management, risk management and group internal audit. Compliance with regulation, legal and ethical standards is a high priority for the Company and the compliance and finance teams take on an important oversight role in this regard. Line management is responsible for maintaining an internal control framework to manage financial and operational risks, which is monitored regularly to ensure the completeness, accuracy and integrity of the Company's financial information.

The principal risk facing the Company is any threat to the maintenance and prompt responsiveness of the personal alarm service. To mitigate this, monitoring of the end to end process for services, including IT support and infrastructure is maintained, to ensure that customers do not experience any degradation or disruption in services.

Financial risk management is discussed in the Financial risk review on page 32.

Future developments
The Company continuously strives to improve the quality and efficiency of service to customers and maintains its TSA and ISO 9001 compliance.

The Company has identified a number of projects to deliver a more digitalised front and back end to enhance the customer journey, increase efficiency and expand the service to customers.

The directors believe that the Company is well placed in terms of strategic and market position to continue generating growth.

The impact of the COVID-19 pandemic is being monitored and plans are being established and implemented to manage the effects of the outbreak and assess disruptions and other risks to its operations. In particular the Company's management information flows, risk management processes and internal controls systems are being closely monitored and alternative mitigating controls are being introduced as appropriate. The directors are also monitoring potential adverse affects of the spread of COVID-19 on the Company's business activities, in particular the scope and severity of any further downturn in global financial markets and the global economy and consequential impacts to the AXA UK Group investment portfolio; and the extent of the impact on the insurance businesses of the companies to which the Company provides services. Depending on the rate of transmission and related mortality, COVID-19 may have significant adverse effects on our business, operations and financial results. The directors consider that the financial impact of the COVID-19 virus on the UK economy and the Company is not currently estimable with any degree of certainty.

Brexit

The implications to the Company of the United Kingdom's departure from the European Union on 31 January 2020 have been considered, specifically the effects this could have on estimations and judgements made in the preparation of the financial statements, including an assessment of the impact a hard Brexit could have on earnings. Whilst this assessment is ongoing with management carefully monitoring the latest events, as described above the Company has in place robust and effective capital and risk management processes, and the risks arising from Brexit are being managed alongside a range of risks inherent to its business. The directors anticipate limited operational impacts arising from Brexit.

Approved by the Board on 7 July 2020 and signed on its behalf by:

MV

....

M. A. Vardy
Director

PPP Taking Care Limited

Directors' Report for the Year Ended 31 December 2019

The directors present their report and the audited financial statements for the year ended 31 December 2019.

Going concern
The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The ability to cope with unexpected risks to the financial position is shown within the Financial risk review on pages 32.

The Company has detailed budgets, plans and forecasts have been prepared and reviewed setting out the continued financial position of the Company for the next 12 months and a strategic plan to 2023. The directors therefore believe that the Company is well placed to manage its business risks despite the current uncertain economic outlook arising from the current COVID-19 pandemic, and the directors have a reasonable expectation, based on sensitivity analyses, that the Company has adequate resources to continue in operation existence for the foreseeable future.

In order to support the current position of the Company and ensure its continued operation, the directors have obtained assurances on the continued financial support of the Company from AXA UK plc in the form of a letter of support.

Directors' of the company
The directors, who held office during the year, were as follows:

M.R. Howes (resigned 14 February 2020)

R. Turner (resigned 24 April 2019)

A. Wilkinson (resigned 31 March 2019)

T. N. Garrad (appointed 5 March 2019)

M. A. Vardy (appointed 14 June 2019)

S. J. Gates (appointed 14 June 2019)

The following director was appointed after the year end:

M. Dalby (appointed 14 February 2020)

Directors' qualifying third party and pension scheme indemnity provisions
The Company is party to a group wide indemnity policy which benefits all of its current directors and is a qualifying third party indemnity provision for the purpose of the Companies Act 2006.

The indemnification was in force during the year and at the date of approval of the financial statements.

EMPLOYEES

Employee involvement

The Company is committed to a policy of equal opportunity in recruitment, training, career development and promotion of staff, irrespective of gender, gender reassignment, marital status, ethnicity, sexual orientation and religion or belief, age, disability, pregnancy or any other protected ground.

Great importance is placed on good communication with employees and in seeking to inform and involve staff in the development of the AXA UK Group operations and in the achievement of the global business goals.

A full range of written, audio, video and regular face-to-face communications, including team briefings, regular appraisals, Company news briefings and various bulletins is used. Regular consultation is maintained with independent and certified trade unions and other employee representative bodies on the complete range of employment and business issues.

Branches outside the United Kingdom

The Company does not operate branches outside the UK.

Political donations

The Company made no donations for political purposes.

Non-adjusting event after the reporting period

During December 2019, a number of cases of pneumonia associated with the Coronavirus, now called COVID-19 by the World Health Organisation("WHO"), were reported in the People's Republic of China. In the early part of 2020 this virus subsequently spread to many other countries, and it is currently not possible to know or to predict the extent to which the current levels of reported cases reflect the actual transmission of the virus within populations, and accordingly the scale of the pandemic may be significantly larger than is presently recorded.

Authorities in many countries, including the UK, have taken stringent measures (including travel restrictions, home quarantine, lockdowns and school closures) to contain the pace and scale of its spread. This has led to significant disruptions in the global travel and hospitality industries, and in global trade and supply chains more broadly; has resulted in decreased economic activity and lowered estimates for future economic growth; has created sever strains on local, national and supra-national medical and healthcare systems and instituions;and has caused global financial markets to experience significant volatility and the worst downturn since the 2008 crisis.

The Company and the companies to which it provides services are in the process of establishing and implementing plans to address how they will manage the effects of the outbreak and assess disruptions and other risks to its operations. these include the protection of employees, sustaining services to customers and other stakeholders and ensuring that effective processes are in place to communicate and execute such plans.

The directors are closely monitoring the Company's exposures to the COVID-19 outbreak, including (i) the operational impact on its business, (ii) the consequences from a deterioration in macroeconomic conditions and a slowdown in the flow of people, goods and services and (iii) the financial condition of other AXA UK entities.

Statement of disclosure of information to auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Approved by the Board on 7 July 2020 and signed on its behalf by:

M.V

....

M. A. Vardy
Director

Independent Auditor's Report to the Members of PPP Taking Care Limited

Opinion

We have audited the financial statements of PPP Taking Care Limited (the "Company") for the year ended 31 December 2019, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the company financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 3, and the consideration in the going concern basis of preparation on page 14 and non-adjusting post balance sheet events on page 33.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report to the Members of PPP Taking Care Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the 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 Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of PPP Taking Care Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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.

....

Leanne Finch (Senior Statutory Auditor)
For and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

7 July 2020

PPP Taking Care Limited

Profit and Loss Account for the Year Ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Turnover	4	10,783	9,822
Cost of sales		(1,511)	(1,621)
Gross profit		9,272	8,201
Administrative expenses		(10,209)	(8,951)
Other operating income		193	193
Operating loss	5	(744)	(557)
Other interest receivable and similar income	9	5	5
Interest payable and similar charges	10	(70)	(86)
		(65)	(81)
Loss before tax		(809)	(638)
Tax on loss on ordinary activities	11	118	108
Loss for the year		(691)	(530)

The transactions above derive from continuing activities.

The Company had no recognised gains or losses during the financial year ended 31 December 2019 other than those recognised in the Profit and Loss Account (2018: £nil). Therefore, the Company has elected not to present a Statement of Comprehensive Income for the year ended 31 December 2019.

PPP Taking Care Limited

(Registration number: 01488490)
Balance Sheet as at 31 December 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Intangible assets	12	134	-
Tangible assets	13	4,160	3,156
Other financial assets	14	819	-
		5,113	3,156
Current assets			
Stocks	15	249	145
Debtors	16	1,286	1,012
Cash at bank and in hand	17	1,738	2,516
		3,273	3,673
Creditors: Amounts falling due within one year	18	(7,813)	(5,385)
Net current liabilities		(4,540)	(1,712)
Total assets less current liabilities		573	1,444
Creditors: Amounts falling due after more than one year	19	(372)	(594)
Provisions for liabilities	21	(104)	(100)
Net assets		97	750
Capital and reserves			
Called up share capital	22	151	151
Profit and loss account		(54)	599
Shareholders' funds		97	750

Approved by the Board on 7 July 2020 and signed on its behalf by:

M.V.

....

M. A. Vardy
Director

The notes on pages 14 to 33 form an integral part of these financial statements.

PPP Taking Care Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2019	151	599	750
Prior period adjustment	-	38	38
At 1 January 2019 (As restated)	151	637	788
Loss for the year	-	(691)	(691)
Total comprehensive income	-	(691)	(691)
At 31 December 2019	151	(54)	97

	Share capital £ 000	Restated Profit and loss account £ 000	Total £ 000
At 1 January 2018	151	1,129	1,280
Loss for the year	-	(530)	(530)
Total comprehensive income	-	(530)	(530)
At 31 December 2018	151	599	750

The notes on pages 14 to 33 form an integral part of these financial statements.

PPP Taking Care Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

The principal activity of the Company is the provision of telecare systems to individuals with increased medical risk, who wish to continue residing in their own homes.

The Company is a private limited company limited by shares under the Companies Act 2006. The address of its registered office is:
5 Old Broad Street
London
EC2N 1AD
UK

These financial statements were authorised for issue by the Board on 7 July 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation
The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The financial statements have been prepared on a going concern basis under the historical cost convention, and in accordance with the Companies Act 2006.

The Company has detailed budgets, plans and forecasts have been prepared and reviewed setting out the continued financial position of the Company for the next 12 months and a strategic plan to 2023. The directors consider that the financial impact of the COVID-19 virus on the UK economy and the Company is not currently estimable with any degree of certainty. In considering the potential impact on the Company, the directors have prepared various financial projections which incorporate the impact on trading, unemployment levels, financial markets and GDP, covering short, medium and longer-term time scales.

The directors believe that the Company is well placed to manage its business risks despite the current uncertain economic outlook, and they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial report.

The Company holds goodwill at cost less any impairment losses, whilst this represents a departure from the treatment prescribed by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to hold goodwill at cost less accumulated amortisation, the directors believe that this accounting policy choice provides a true and fair view. The ability to apply a true and fair override when selecting an accounting policy, is set out in FRS 101, with specific instances, such as goodwill, referenced within Appendix II. The effect of non-amortisation is an increase in profit for the year by £10k, with the cumulative effect on net assets being an increase of £10k.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

(a) The requirements of IFRS 7 'Financial Instruments: Disclosures'.

2 Accounting policies (continued)

(b) The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
(i) paragraph 79(a)(iv) of IAS 1; and
(ii) paragraph 73(e) of IAS 16 'Property, Plant and Equipment'.

(c) The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 'Presentation of Financial Statements'.

(d) The requirements of IAS 7 'Statement of Cash Flows'.

(e) The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

(f) The requirements of paragraph 17 and 18A of IAS 24 'Related Party Disclosures'.

(g) The requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

(h) The requirements of paragraph 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 'Impairment of Assets', provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

(i) The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 'Leases'. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of the details of indebtedness required by paragraph 61(1) of schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total.

(j) The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

Changes in accounting policy

New standards, interpretations and amendments effective
The following have been applied for the first time from 1 January 2019:

IFRS 16 'Leases'
IFRS 16 'Leases' was issued on 13 January 2016 and was endorsed by the EU in 2017. It replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The main effect on the Company is that IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for almost all leases. At 1 January 2019 for those classified as finance leases applying IAS 17, the carrying amount of the right-of-use asset and the lease liability at the date of initial application shall be the carrying amount of the lease asset and lease liability immediately before that date measured applying IAS 17. This basis of application of the standard has meant that the asset and liabilities did not change, with no transitional impact to retained earnings. The discount rate used at transition was 5%.

None of the other other standards, interpretations and amendments effective for the first time from 1 January 2019 have had a material effect on the financial statements.

2 Accounting policies (continued)

Revenue recognition

Recognition

The Company earns revenue from the provision of services relating to marketing, installation, monitoring and maintenance of telecare systems for the elderly. This revenue is recognised in the accounting period when the services are rendered at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

Performance obligations

The main performance obligations in contracts consist of the provision of a range of services to the eldercare market. For all contracts the stage of completion and delivery of performance obligations are measured at the balance sheet date on a time elapsed basis in accordance with each service contract. For certain elements of the contracts the performance obligation is recognised at a point in time, following the installation and supply of goods.

Property, plant and equipment

Property, plant and equipment is stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, less their anticipated residual value.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Land and buildings consists of property partially occupied by the Company and partially leased to the previous parent entity under an operating lease.

Depreciation

Depreciation is charged so as to write off the cost of assets less residual value, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	**Depreciation method and rate**
Buildings	Straight line over 20 years
Leasehold improvements	Straight line over 10 years
Monitoring equipment	Straight line over 5 years
Other equipment	Straight line up to a maximum of 10 years

2 Accounting policies (continued)

Leases (pre 1 January 2019)

Operating lease - lessee
Leases are classified as operating leases where a significant proportion of the risks and rewards of ownership of the asset concerned are retained by the lessor. Payments made under operating leases, less any incentives received from the lessor, are charged to the Profit and Loss Account on a straight line basis over the lease term.

Finance lease - lessee
The Company leases personal alarm units under a finance lease, whereby the Company retains substantially all the risks and rewards of ownership.

Finance leases are capitalised on the lease commencement date at the lower of the fair value of the leased property and the present value of the minimum lease payments. Assets acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term. Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in creditors less than twelve months and greater than twelve months. The interest element of the finance cost is charged to the Profit and Loss Account over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases (post 1 January 2019)
Lessee accounting

The Company made an assessment of whether a contract is or contains a lease at inception of the contract. Where there is a lease, the Company recognises a right of use asset and a lease liability at the commencement of the lease.

The right of use asset is initially measured at cost, which comprises the initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or the site on which it is located and the cost of obligation to refurbish the asset, less any incentives received. The right of use asset is subsequently depreciated over the lease term. The right of use asset is subject to testing for impairment if there is an indicator for impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The weighted average incremental borrowing rate used to measure the lease liability at initial application was 4.48%. The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in lease term, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

The Company presents right of use assets within tangible assets and leased liabilities in creditors on the Balance Sheet.

Non-lease components, including service charges, rates and utilities, have been separated from the lease payments and reported as expenses when incurred.

2 Accounting policies (continued)

Lessor accounting

The Company enters into lease agreements as lessor with respect to some of its land and buildings. All of these leases are classified as operating leases as a significant proportion of the risks and rewards of ownership of the asset concerned are retained by the lessor. Payments made under operating leases, less any incentives received from the lessor, are charged to the Profit and Loss Account on a straight- line basis over the lease term.

Stock

Stock is stated at the lower of cost or net realisable value, after provision for obsolete items. Cost represents the purchase price.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Taxation

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

Current Tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination than, at the time of the transaction, affect neither accounting not taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 Accounting policies (continued)

Pension scheme

The Company is part of the AXA UK Group defined contribution pension scheme which is available to all employees. Under a defined contribution scheme, the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Employees also contribute to the defined contribution scheme.

A number of employees are part of a defined benefit scheme with a previous employer. The Company makes contributions into the scheme and the exposure of any pension deficit is capped at £819k. This amount is held within an escrow account, which has been included within other financial assets.

The contributions for both schemes are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Business combinations

Business combinations are accounted for using the acquisition method. The Company identifies the acquisition date where it obtains control of the acquiree, as the date of the signed agreement. At the acquisition date the Company recognises any identifiable assets acquired and liabilities assumed. The difference between the consideration transferred and these identifiable assets and liabilities is recognised as goodwill.

Intangible assets

Intangible assets represents the acquisition of business contracts and customer relationships. These intangible assets are considered to have an indefinite useful life as they are expected to generate cash inflows for an indefinite period of time. A review of the useful life for these assets is performed on an annual basis.

Intangible assets with an indefinite useful life are initially recognised at cost and are subsequently measured at cost less accumulated impairment losses. Intangible assets are reviewed for impairment on an annual basis. The recoverable amount is calculated and compared to the carrying value. The recoverable amount is the greater of the value in use and the fair value less costs of disposal.

If the recoverable amount is less than the carrying value, impairment is recognised immediately as an expense and is not subsequently reversed.

Goodwill

Goodwill represents the excess of the consideration transferred over the proportionate interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

Goodwill is initially recognised at cost and is subsequently measured at cost less accumulated impairment losses. Goodwill is reviewed for impairment on an annual basis. The recoverable amount is calculated and compared to the carrying value. The recoverable amount is the greater of the value in use and the fair value less costs of disposal.

If the recoverable amount is less than the carrying value, impairment is recognised immediately as an expense and is not subsequently reversed.

2 Accounting policies (continued)

Financial instruments

Initial recognition
Financial assets and financial liabilities comprise all assets and liabilities reflected in the balance sheet, although excluding tangible assets, deferred tax assets, prepayments and deferred tax liabilities.

The Company recognises financial assets and financial liabilities in the balance sheet when, and only when, the Company becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

Classification and measurement
Financial instruments are classified at inception into the category amortised cost.

The classification and the basis for measurement are subject to the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as detailed below:-

Financial assets at amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL):
· the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
· the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either of the above two criteria is not met, the financial assets are classified and measured at FVTPL.

Financial liabilities at amortised cost
All financial liabilities, other than those classified as financial liabilities at FVTPL, are measured at amortised cost using the effective interest rate method.

Derecognition

Financial assets

The Company derecognises a financial asset when;
- the contractual rights to the cash flows from the financial asset expire;
- it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received is recognised as a gain or loss in the profit or loss.

2 Accounting policies (continued)

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 101 requires management to monitor and exercise judgement in the selection and application of appropriate accounting policies and in the use of accounting estimates.

Deferred taxation
The carrying value at the reporting date of the net deferred tax asset is £159k (2018: £134k), further details of which are disclosed in the accounting policy and note 11. Significant management judgement is applied to determine the deferred tax asset that can be recognised and is based on the probability of future taxable profits.

Provisions
The carrying value at the reporting date of the liability for provisions is £104k (2018: £100k), The judgements, estimates and assumptions employed in the assessment of the adequacy of these provisions are set out in the accounting policy and note 21.

Leases
The carrying value at the reporting date of the lease liability is £730k, further details of which are disclosed in the accounting policy 'Leases (pre 1 January 2019)' and 'Leases (post 1 January 2019)' and note 18. An estimation has been used in determining the incremental borrowing rate from which to discount the liability to its present value.

4 Turnover

The total turnover of the Company for the period has been derived from its principal activity wholly undertaken in the UK.

5 Operating loss

Operating loss is stated after charging:

	2019 £ 000	2018 £ 000
Depreciation expense	395	988
Depreciation on right of use assets	531	-
Impairment loss of trade debtors	42	75
Cost of stock recognised as an expense	302	360
Impairment of Land and Buildings	-	108

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019 £ 000	2018 £ 000
Wages and salaries	5,833	4,631
Social security costs	423	369
Pension costs, defined contribution scheme	426	259
	6,682	5,259

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2019 No.	2018 No.
Production/Sales	27	27
Administration and support	145	116
	172	143

7 Directors' remuneration

The directors are employed and paid by companies in the AXA Group and their directorships are held as part of that employment. The emoluments of certain directors disclosed below are in respect of qualifying services to the AXA Group as a whole

	2019 £ 000	2018 £ 000
Remuneration	237	371
Contributions paid to defined benefit pension scheme	-	9
Compensation for loss of office	62	17
	299	397

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2019 No.	2018 No.
Exercised share options	-	1
Accruing benefits under money purchase pension scheme	-	1

In respect of the highest paid director:

	2019 £ 000	2018 £ 000
Remuneration	-	266

7 Directors' remuneration (continued)

Mrs. T. N. Garrad was also a director of AXA UK plc during the year and her emoluments, which relate to her services to the AXA Group as a whole, are disclosed in the financial statements of that company.

Mr. M. R. Howes was also a director of AXA PPP healthcare Group Limited during the year and his emoluments, which relate to his services to the AXA Group as a whole, are disclosed in the financial statements of that company.

Mrs. A. Wilkinson was also a director of AXA PPP healthcare Limited during the year and her emoluments, which relate to her services to the AXA Group as a whole, are disclosed in the financial statements of that company.

Mr. M. A. Vardy was also a director of AXA ICAS Limited during the year and his emoluments, which relate to his services to the AXA Group as a whole, are disclosed in the financial statements of that company..

8 Auditors' remuneration

During the year the Company obtained the following services from the Company's auditor at costs detailed below:

	2019 £ 000	2018 £ 000
Audit of the financial statements	24	24

The fees for the year ended 31 December 2019 are paid by a fellow group undertaking and are not recharged to the Company.

9 Other interest receivable and similar income

	2019 £ 000	2018 £ 000
Interest income on bank deposits	5	5

10 Interest payable and similar charges

	2019 £ 000	2018 £ 000
Interest on obligations under finance leases and hire purchase contracts	57	86
Interest paid to group undertakings	13	-
	70	86

11 Income tax

Tax credited in the profit and loss account

	2019 £ 000	2018 £ 000
Current taxation		
UK corporation tax	(108)	(26)
UK corporation tax adjustment to prior periods	15	(87)
	(93)	(113)
Deferred taxation		
Arising from origination and reversal of temporary differences	(27)	(55)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	2	60
Total deferred taxation	(25)	5
Tax credit in the profit and loss account	(118)	(108)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
Loss before tax	(809)	(638)
Corporation tax at standard rate	(154)	(121)
Increase (decrease) in current tax from adjustment for prior periods	17	(27)
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	13	34
Deferred tax expense relating to changes in tax rates or laws	6	6
Total tax credit	(118)	(108)

The tax rate for the current year remains at 19%.

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate, to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates.

It was announced in the budget on 11 March 2020 that the above noted corporation tax rate reduction will be repealed. The effect of this change would be to increase the deferred tax asset at 31 December 2019 by £18,131.

The budget announcement was substantively enacted on 17 March 2020. Deferred taxes at the balance sheet date continue to be measured at the enacted rate at the end of the reporting period of 17%.

11 Income tax (continued)

Deferred tax

Deferred tax assets and liabilities

2019	Asset £ 000
Accelerated tax depreciation	152
Timing differences	7
	159

2018	Asset £ 000
Accelerated tax depreciation	115
Timing differences	19
	134

Deferred tax movement during the year:

	At 1 January 2019 £ 000	Recognised in income £ 000	At 31 December 2019 £ 000
Accelerated tax depreciation	115	37	152
Timing differences	19	(12)	7
Net tax assets/(liabilities)	134	25	159

Deferred tax movement during the prior year:

	At 1 January 2018 £ 000	Recognised in income £ 000	At 31 December 2018 £ 000
Accelerated tax depreciation	128	(13)	115
Timing differences	11	8	19
Net tax assets/(liabilities)	139	(5)	134

12 Intangible assets

	Goodwill £ 000	Contractual customer relationships £ 000	Total £ 000
Cost or valuation			
Additions	109	25	134
At 31 December 2019	109	25	134
Carrying amount			
At 31 December 2019	109	25	134

Goodwill was acquired as part of the acquisition of the Careline Services business carried on by The District Council of Chichester. Intangible assets recognised during the year relate to the purchase of business contracts and customer relationships as part of this transaction.

Impairment testing of the valuations of these assets indicated that the carrying values are expected to be fully recoverable and hence no impairment is considered necessary.

13 Tangible assets

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Other property, plant and equipment £ 000	Monitoring equipment £'000	Total £ 000
Cost or valuation					
At 1 January 2019	1,019	7	16	4,590	5,632
Additions	193	-	1,027	674	1,894
Disposals	-	-	-	(868)	(868)
At 31 December 2019	1,212	7	1,043	4,396	6,658
Depreciation					
At 1 January 2019	219	6	16	2,236	2,477
Prior period adjustment	(38)	-	-	-	(38)
Charge for the year	49	1	-	876	926
Eliminated on disposal	-	-	-	(867)	(867)
At 31 December 2019	230	7	16	2,245	2,498
Carrying amount					
At 31 December 2019	982	-	1,027	2,151	4,160
At 31 December 2018	800	2	-	2,354	3,156

13 Tangible assets (continued)

The freehold land and buildings were valued at £800k as at 31 December 2019 (2018: £800k) on a fair value basis by Cushman & Wakefield Limited, who are independent chartered surveyors and provide valuation services across all AXA UK's properties.

The prior period adjustment of £38k relates to the reversal of the depreciation of land in previous years. Included within land and buildings is an amount of £350k relating to land that is not depreciated.

The additions during the year within land and buildings relate to the signing of a new property lease.

Included within other property plant and equipment is £1,027k of additions in relation to leasehold improvements. The installation of these improvements is still ongoing at the year end, therefore no depreciation has been incurred during the year.

The net book value of right of use assets included within tangible assets is below:

	Land and buildings £ 000	Monitoring alarms £ 000	Total £ 000
Cost or valuation			
Recognised on adoption of IFRS 16	-	2,120	2,120
Additions	193	-	193
At 31 December 2019	193	2,120	2,313
Depreciation			
Recognised on adoption of IFRS 16	-	1,094	1,094
Charge for the year	16	515	531
At 31 December 2019	16	1,609	1,625
Carrying amount			
At 31 December 2019	177	511	688

14 Other financial assets

	2019 £ 000	2018 £ 000
Non-current financial assets		
Placements with banks and other institutions	819	-

Other financial assets relate to amounts held within an escrow account in relation to the pension fund of the employees who were transferred from the Careline business carried out by the District Council of Chichester. Once the pension deficit becomes a surplus, this amount will be returned to the Company.

15 Stock

	2019 £ 000	2018 £ 000
Finished goods and goods for resale	249	145

16 Debtors

	2019 £ 000	2018 £ 000
Trade debtors	230	136
Prepayments	529	364
Other debtors	355	378
Income tax asset	13	-
Deferred tax assets	159	134
	1,286	1,012

17 Cash at bank and in hand

	2019 £ 000	2018 £ 000
Cash at bank	1,738	2,516

18 Creditors: amounts falling due within one year

	2019 £ 000	2018 £ 000
Trade creditors	217	159
Income tax liability	-	80
Social security and other taxes	142	96
Amounts due to related parties	5,839	2,886
Current lease liabilities	360	526
Other creditors	39	31
Accrued expenses	1,216	1,607
	7,813	5,385

Amounts due to related parties are unsecured, non-interest bearing and repayable on demand.

19 Creditors: Amounts falling due after more than one year

	2019 £ 000	2018 £ 000
Accruals and deferred income	2	19
Long term lease liabilities	370	575
	372	594

20 Leases

Leases included in creditors

	2019 £ 000	2018 £ 000
Current portion of long term lease liabilities	360	526
Long term lease liabilities	370	575

Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	2019 £ 000
Less than one year	406
2 years	227
3 years	37
4 years	19
5 years	19
6 years	19
7 years	19
8 years	19
9 years	19
10 years	3
Total lease liabilities (undiscounted)	787

The total future value of minimum lease payments is as follows:

	2018 £ 000
Within one year	52
In two to five years	493
	545

20 Leases (continued)

Leases where the Company is a lessor

The rental receivable relates to land and buildings leased to the previous parent entity. The carrying amount of the associated asset is £750k as at 31 December 2019 (2018: £800k) shown within note 13.

The future aggregate minimum lease payments receivable under non-cancellable operating leases (under IAS 17) are as follows:

2019	**Minimum lease receipts £ 000**
Within one year	57
In two to five years	226
In over five years	104
	387

2018	**Minimum lease payments £ 000**
Within one year	57
In two to five years	283
In over five years	128
	468

21 Other provisions

	Dilapidations £ 000
At 1 January 2019	100
Additional provisions	26
Unused provision reversed	(23)
Increase (decrease) due to passage of time or unwinding of discount	1
At 31 December 2019	104

The dilapidations provision is in relation to a leasehold property currently occupied by the Company, and a leasehold property that is no longer being occupied by the Company but the final amount payable is still being negotiated.

22 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No. 000	£ 000	No. 000	£ 000
Allotted, called up and fully paid: of £0.05 each	3,020	151	3,020	151

23 Pension and other schemes

Staff pension costs
AXA UK Group pension scheme

The Company is part of the AXA UK Group defined contribution pension scheme which is available to all employees. A number of employees are part of a defined benefit scheme with a previous employer. The Company makes contributions into the scheme and the exposure of any pension deficit is capped at £819k. This amount is held within an escrow account, which has been included within cash at bank and in hand.

The pension costs charged in the financial statements represent the contribution payable by the Company into both of the schemes during the year. The pension costs for the year were £426k (2018: £258k).

Outstanding contributions payable as at 31 December 2019 amount to £39k (2018: £32k).

24 Parent and ultimate parent undertaking

The Company's immediate parent is AXA PPP Healthcare Group Limited.

The ultimate parent is AXA SA.

The most senior parent entity producing publicly available financial statements is AXA SA.

Relationship between entity and parents
The parent of the smallest and largest group in which these financial statements are consolidated is AXA SA, incorporated in France.

The address of AXA SA is:
25, avenue Matignon, 75008 Paris, France.

25 Financial risk review

This note presents information about the Company's exposure to financial risks.

The Company is exposed to financial risk through its business operations affecting the financial assets and liabilities. The most important components of this risk given the nature of the Company's operations are credit, liquidity and cash flow risks.

The Company forms part of the AXA UK Group which has an established risk management framework on how each risk profile is identified, measured, monitored and controlled through Risk Committees advising the individual business unit Chief Executives.

A dedicated risk management function supports the individual business units by ensuring that a full understanding and control of risks is incorporated into management decision making and procedures.

The risk policies are documented in adherence to the AXA Group Standards issued by AXA Group Risk Management ("GRM"). The AXA UK Board is responsible for governance and the AXA UK Executive Committee for approving all new policies.

The notes that follow address the individual components of financial risk.

Credit risk

The Company's definition of credit risk is the risk of capital or income loss resulting from counterparty default. Items which generate credit risk generally arise as a by-product of the Company's operations and other operational debts. The risk is mitigated by the Company by investing cash surpluses through banks which must fulfil credit rating criteria approved by the board. Receivables balances are monitored on an on-going basis and provision is made for doubtful debts where necessary.

Liquidity and cash flow risk

The Company's definition of liquidity risk is the risk that the Company may not have sufficient available cash (or near cash assets or funding facilities) to pay obligations when they fall due at reasonable cost.

26 Trade and assets acquisitions

On 18th January 2019, the Company acquired the Careline Service business carried out by The District Council of Chichester.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below:

	2019 £ 000
Assets and liabilities acquired	
Inventory	16
Identifiable intangible assets	25
Total identifiable assets	41
Goodwill	109
Total consideration	150

27 Non-adjusting events after the financial period

During December 2019, a number of cases of pneumonia associated with the Coronavirus, now called COVID-19 by the World Health Organisation("WHO"), were reported in the People's Republic of China. In the early part of 2020 this virus subsequently spread to many other countries, and it is currently not possible to know or to predict the extent to which the current levels of reported cases reflect the actual transmission of the virus within populations, and accordingly the scale of the pandemic may be significantly larger than is presently recorded.

Authorities in many countries, including the UK, have taken stringent measures (including travel restrictions, home quarantine, lockdowns and school closures) to contain the pace and scale of its spread. This has led to significant disruptions in the global travel and hospitality industries, and in global trade and supply chains more broadly; has resulted in decreased economic activity and lowered estimates for future economic growth; has created sever strains on local, national and supra-national medical and healthcare systems and instituions;and has caused global financial markets to experience significant volatility and the worst downturn since the 2008 crisis.

The Company and the companies to which it provides services are in the process of establishing and implementing plans to address how they will manage the effects of the outbreak and assess disruptions and other risks to its operations. these include the protection of employees, sustaining services to customers and other stakeholders and ensuring that effective processes are in place to communicate and execute such plans.

The directors are closely monitoring the Company's exposures to the COVID-19 outbreak, including (i) the operational impact on its business, (ii) the consequences from a deterioration in macroeconomic conditions and a slowdown in the flow of people, goods and services and (iii) the financial condition of other AXA UK entities.