

Aaroncare Limited

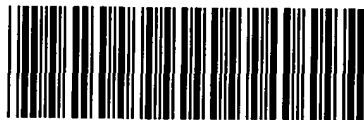
Report and Financial Statements

Year Ended

31 December 2015

Company Number 02077314

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Aaroncare Limited

Report and financial statements for the year ended 31 December 2015

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Directors

P A Warren (non-executive)
N Yarrow
C Stokes

Secretary and registered office

N Yarrow, River House, 1 Maidstone Road, Sidcup, Kent, DA14 5RH

Company number

02077314

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Aaroncare Limited

Report of the directors for the year ended 31 December 2015

The directors present their report together with the audited financial statements for the year ended 31 December 2015.

Results

The single statement of comprehensive income is set out on page 5 and shows the result for the year.

A dividend of £Nil (2014-£635,000) was paid in the year.

Directors

The directors of the company during the year were:

P A Warren	
M Ramsey	resigned 11 December 2015
D Evans	appointed 30 January 2015, resigned 8 July 2015
N Yarrow	appointed 27 July 2015
S Pereira	resigned 30 January 2015
C Stokes	appointed 18 April 2016

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures;
- 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.

Aaroncare Limited

Report of the directors for the year ended 31 December 2015 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

On behalf of the board

A handwritten signature in black ink, consisting of a large, stylized 'N' followed by a series of loops and a long horizontal stroke.

N Yarrow
Director

28 June 2016

Aaroncare Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AARONCARE LIMITED

We have audited the financial statements of Aaroncare Limited for the year ended 31 December 2015 which comprise single statement of comprehensive income, the financial statement, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2015 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Aaroncare Limited

Independent auditor's report

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

*Geraint Jones (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London, United Kingdom*

28 June 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Aaroncare Limited

Single Statement of Comprehensive Income for the year ended 31 December 2015

	Note	2015 £	2014 £
Turnover	2	8,654,329	8,456,312
Cost of sales		<u>5,838,698</u>	<u>5,835,191</u>
Gross profit		2,815,631	2,621,121
Administrative expenses		<u>3,138,392</u>	<u>2,135,842</u>
Operating (loss)/profit	5	(322,761)	485,279
Interest payable and similar charges	6	<u>-</u>	<u>(81,460)</u>
(Loss)/profit on ordinary activities before taxation		(322,761)	403,819
Taxation on loss on ordinary activities	7	<u>232,165</u>	<u>(331,846)</u>
(Loss)/profit on ordinary activities after taxation		(90,596)	71,973
Total comprehensive (loss)/income for year		<u>(90,596)</u>	<u>71,973</u>

All amounts relate to continuing activities.

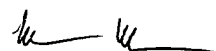
The notes on pages 8 to 14 form part of these financial statements.

Aaroncare Limited

Statement of Financial Position at 31 December 2015

Company number 02077314	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	8		12,923,192		14,391,395
Current assets					
Debtors	9	463,141		387,224	
Cash at bank and in hand		744,906		623,333	
		<u>1,208,047</u>		<u>1,010,557</u>	
Creditors: amounts falling due within one year	10	3,311,221		4,264,208	
Net current liabilities			<u>(2,103,174)</u>		<u>(3,253,651)</u>
Total assets less current liabilities			<u>10,820,018</u>		<u>11,137,744</u>
Provisions for liabilities	11	-		227,130	
			<u>-</u>		<u>227,130</u>
			<u>10,820,018</u>		<u>10,910,614</u>
Capital and reserves					
Called up share capital	12		4,139,945		4,139,945
Other reserves	13		3,256,760		4,301,919
Profit and loss account	13		3,423,313		2,468,750
Shareholders' funds	14		<u>10,820,018</u>		<u>10,910,614</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 June 2016



C Stokes
Director

The notes on pages 8 to 14 form part of these financial statements.

Aaroncare Limited

Statement of Changes in Equity at 31 December 2015

	Share Capital £	Retained Earnings £	Other Reserves	Total £
Balance as at December 2013	188,500	3,031,777	4,301,919	7,522,196
Issue of ordinary shares	3,951,445	-	-	3,951,445
Ordinary dividends	-	(635,000)	-	(635,000)
Profit for the year	-	71,973	-	71,973
Balance as at 31 December 2014	4,139,945	2,468,750	4,301,919	10,910,614
Loss for the year	-	(90,596)	-	(90,596)
Impairment of fixed assets	-	1,045,159	(1,045,159)	-
Balance as at 31 December 2015	4,139,945	3,423,313	3,256,760	10,820,018

The notes on pages 8 to 14 form part of these financial statements.

Aaroncare Limited

Notes forming part of the financial statements for the year ended 31 December 2015

1 Accounting policies

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

FRS 102 is mandatory for accounting periods beginning on or after 1 January 2015. Information on the impact of first – time adoption of FRS 102 is given in note 19.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

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

- The requirements of Section 7 statement of cash flows

Revenue

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Revenue is recognised for each period of occupancy within the accounting period.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Motor vehicles	-	25% straight line
Fixtures and fittings	-	15% straight line
Buildings	-	2% straight line

Land and buildings

As in accordance with the FRS 102 transition provisions the company has elected to use the previous GAAP revaluation of land and buildings as at 1 January 2014, before the date of transition and for this to be frozen and treated as deemed cost at the transition date. Land and buildings are treated as separate assets and accounted for separately even though they have been acquired together. Land is considered to have an unlimited useful life and therefore is not depreciated.

Buildings are depreciated in line with the company's depreciation policy.

Impairment of fixed assets

Assets that are subject to depreciation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit (CGU) to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Aaroncare Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (continued)

1 Accounting policies (continued)

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using tax rates enacted and laws that have been enacted or substantively enacted by the balance sheet date.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

2 Turnover

Turnover arises solely within the United Kingdom.

3 Employees

Staff costs (including directors) consist of:

	2015 £	2014 £
Wages and salaries	4,699,517	4,542,031
Social security costs	224,971	281,510
Other pension costs	-	2,714
	<u>4,924,488</u>	<u>4,826,255</u>

The average number of employees (including directors) during the year was as follows:

	2015 Number	2014 Number
Management, nursing home and administration staff	<u>342</u>	<u>356</u>

4 Directors' remuneration

No director received any emoluments during the current year (2014 - £Nil).

Aaroncare Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (continued)

5 Operating profit

	2015 £	2014 £
This has been arrived at after charging:		
Depreciation of tangible fixed assets	784,001	685,057
Impairment of tangible fixed assets	1,045,159	-
	<u> </u>	<u> </u>

Auditors' remuneration has been borne by New Century Care Limited, a fellow subsidiary within the group.

6 Interest payable and similar charges

	2015 £	2014 £
Loans from group companies	-	81,032
Hire purchase contracts	-	428
	<u> </u>	<u> </u>

7 Taxation on (loss)/ profit from ordinary activities

	2015 £	2014 £
<i>UK corporation tax</i>		
Tax charge for the year	123,163	104,716
Over provision of corporation tax in respect of previous periods	(101,968)	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	(253,360)	227,130
	<u> </u>	<u> </u>
Taxation on loss on ordinary activities	(232,165)	331,846
	<u> </u>	<u> </u>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2015 £	2014 £
(Loss)/profit on ordinary activities before tax	(322,761)	403,819
	<u> </u>	<u> </u>
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 20.25% (2014 – 21.82%)	(65,359)	88,113
Effects of:		
Expenses not deductible for tax purposes	211,648	17,681
Difference between capital allowances and depreciation	(177,968)	354,237
Group relief	(98,518)	(128,185)
Over provision of corporation tax in respect of previous periods	(101,968)	-
	<u> </u>	<u> </u>
Current tax (credit)/charge for year	(232,165)	331,846
	<u> </u>	<u> </u>

Aaroncare Limited

Notes forming part of the financial statements
for the year ended 31 December 2015 (*continued*)

8 Tangible Assets

	Freehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost:</i>				
At 1 January 2015	12,788,662	42,443	5,147,127	17,978,232
Additions	6,845	-	354,048	360,893
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	12,795,507	42,443	5,501,175	18,339,125
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 January 2015	-	42,443	3,544,394	3,586,837
Provided for year	78,390	-	705,547	783,937
Impairment	951,542	-	93,617	1,045,159
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	1,029,932	42,443	4,343,558	5,415,933
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2015	11,765,575	-	1,157,617	12,923,192
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014	12,788,662	-	1,602,733	14,391,395
	<hr/>	<hr/>	<hr/>	<hr/>

The impairment loss recognised on tangible fixed assets in the period was £1,045,159 (2014 – nil). It arose as a result of the directors review of tangible fixed assets for impairment and they have been written down to their recoverable amount being the higher of their fair value less costs to sell and value in use.

The value in use has been calculated using discounted years purchase multiples of EBITDA, using a discount rate of 10% over a period of 5 years which is based on management's most recent business forecast.

Aaroncare Limited

Notes forming part of the financial statements
for the year ended 31 December 2015 (continued)

9 Debtors

	2015 £	2014 £
Trade debtors	238,845	291,592
Prepayments and accrued income	198,066	95,632
Deferred Tax Asset	26,230	-
	<u>463,141</u>	<u>387,224</u>

All amounts shown under debtors fall due for payment within one year.

10 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	224,049	613,263
Amounts owed to group undertakings	2,286,854	2,635,308
Corporation tax	123,163	127,648
Other taxation and social security	65,709	84,142
Obligations under finance lease and hire purchase contracts	-	175
Other creditors	216,961	482,477
Accruals and deferred income	394,485	321,195
	<u>3,311,221</u>	<u>4,264,208</u>

11 Provisions for liabilities

		Deferred taxation £
At 1 January 2015		227,130
Charged to profit and loss account		(227,130)
		<u>-</u>
	2015 £	2014 £
Accelerated capital allowances	26,230	(227,130)

Aaroncare Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (continued)

12 Share capital

	2015 £	2014 £
<i>Allotted, called up and fully paid</i>		
4,129,946 Ordinary shares of £1 each	4,129,946	4,129,946
9,999 Ordinary 'A' shares of £1 each	9,999	9,999
	<hr/>	<hr/>
	4,139,945	4,139,945
	<hr/>	<hr/>

The above classes of share rank pari passu in all respects.

13 Reserves

	Other reserves £	Profit and loss account £
At 1 January 2015	4,301,919	2,468,750
Loss for the year	-	(90,596)
Impairment of fixed assets	(1,045,159)	1,045,159
	<hr/>	<hr/>
At 31 December 2015	3,256,760	3,423,313
	<hr/>	<hr/>

14 Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Profit/(Loss) for the year	(90,596)	71,973
Other net recognised gains and losses relating to the year		
- Issue of ordinary shares	-	3,951,445
- Ordinary dividends paid	-	(635,000)
	<hr/>	<hr/>
Net deductions from shareholders' funds	(90,596)	3,388,418
Opening shareholders' funds	10,910,614	7,522,196
	<hr/>	<hr/>
Closing shareholders' funds	10,820,018	10,910,614
	<hr/>	<hr/>

15 Dividends

	2015 £	2014 £
Ordinary shares		
Final dividend paid for the year of £Nil (2014 – £0.15p) per share	-	635,000
	<hr/>	<hr/>

Aaroncare Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (continued)

16 Financial instruments

	2015 £	2014 £
Financial assets		
Financial assets measured at amortised cost	983,753	1,010,557
Financial assets measured at amortised cost comprise trade debtors, other debtors and cash.		
Financial liabilities		
Financial liabilities measured at amortised cost	2,727,864	4,052,418
Financial liabilities measured at amortised cost comprise trade creditors, other creditors and amounts owed to group undertakings.		

17 Related party transactions

The company is a wholly owned subsidiary of Custodes Topco Limited and has taken advantage of the exemptions conferred by Chapter 33 'Related party disclosures' of FRS 102, the Financial Reporting Standards applicable in the United Kingdom and the Republic of Ireland, not to disclose transactions with members of the group.

18 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of Custodes Acqco Limited, which is the immediate parent company, incorporated in England & Wales.

As at 31 December 2015 the ultimate parent company was Custodes Topco Limited, incorporated in England & Wales. The consolidated financial statements of which are available from the company's registered address.

During the year, the group was restructured to include Custodes Midco Ltd as 100% parent of Custodes Acqco Limited, incorporated in England & Wales.

The ultimate parent company is Custodes Topco Limited, incorporated in England & Wales, by virtue of its ownership of Custodes Acqco Limited.

19 First time adoption of FRS 102

There were no transitional adjustments to previously reported profit and equity.