

COMPANY REGISTRATION NUMBER: 05302971

CARE OUTLOOK LTD
FINANCIAL STATEMENTS
31 MARCH 2020



UHY HACKER YOUNG (S.E.) LIMITED

Chartered accountants & statutory auditor
168 Church Road
Hove
East Sussex

CARE OUTLOOK LTD
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

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CARE OUTLOOK LTD

OFFICERS AND PROFESSIONAL ADVISERS

Director	Mr P Jerrari
Registered office	168 Church Road Hove BN3 2DL
Auditor	UHY Hacker Young (S.E.) Limited Chartered accountants & statutory auditor 168 Church Road Hove East Sussex BN3 2DL

CARE OUTLOOK LTD

STRATEGIC REPORT

YEAR ENDED 31 MARCH 2020

Review of business

During the year the company continued to increase its turnover by £3.8m (24%) to £19.4m (2019 by £1.8m (13%) to £15.6m).

Principal risks and uncertainties

The management and operation is subject to a number of risks. The key business risks relate to:

- 1) Workforce: The company's ability to retain key people, recruit new care workers and retention of experienced, skilled staff required to meet the increased complexity of demand for adult social care services.
- 2) The impact of the UK leaving the the EU and the continuation of the coronavirus: This includes a wide range of potential risks to health and social care businesses; again workforce is an obvious concern to the company.
- 3) Its ability to retain key contacts and strategies of some local authorities to spread risk and reduce concentration of contract volumes in light of recent provider failures.
- 4) Financial price risk on income from local authorities, particularly due to the impact of coronavirus. Increases in NMW/National Living Wage and higher regulatory standards improve the overall quality of care and increased costs.

The management team are utilising its resources to mitigate risk by:

- a) Incentivising key people to remain loyal to the company.
- b) Unlike our competitors the company is not large enough to maintain a healthy "pipeline" of new opportunities. Coronavirus has resulted in the postponement of several tenders. That said the management team have a proven ability to win contracts.
- c) Competitors of a similar and larger size respond through a strategy of acquisition and consolidation of other businesses which mitigates price risk. As the required funding is not available at present, the management team has capitalised on its ability to win, develop and retain contracts with local authorities. Again due to its financial position in the market the company carefully selects sustainable contracts with lower operational risks.
- d) The company has digitised its workflows to ensure compliance with GDPR disclosures.

CARE OUTLOOK LTD

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 MARCH 2020

This report was approved by the board of directors on 5 February 2021 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'Jerrari', written over a horizontal line.

Mr P Jerrari
Director

Registered office:
168 Church Road
Hove
BN3 2DL

CARE OUTLOOK LTD

DIRECTOR'S REPORT

YEAR ENDED 31 MARCH 2020

The director presents his report and the financial statements of the company for the year ended 31 March 2020.

Principal activities

The principal activity of the company during the year was the provision of homecare services.

Director

The director who served the company during the year was as follows:

Mr P Jerrari

Dividends

The director does not recommend the payment of a dividend.

Future developments

The company will continue to pursue a strategy of organic growth.

Going concern

On 11th March 2020, the World Health Organisation declared the outbreak of COVID-19 a pandemic. As a result of this, restrictions were placed on businesses in the United Kingdom. This has had an impact on the operations of the company. The director expects the vast majority of this impact to be temporary. The company has successfully applied for financial support from the UK government in the form of the Coronavirus Job Retention Scheme.

Employment of disabled persons

The company remains committed to developing a culture of inclusion and diversity. This includes its policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any form. Management actively pursues the employment and retention of disabled people with particular focus on training, career development and promoting of disabled employees in order to play an active role in the development of the company.

Employee involvement

The company recognises the importance of good communication with its employees to ensure they feel valued and a part of the decision making process within their respective departments. To that end, management regularly visit the branches and information flow is maintained via newsletters and group emails.

Financial instruments

The company does not enter into any hedging instruments or financial instruments for speculative purposes. The company prepares regular forecasts of cashflow and liquidity for any additional funding requirements.

CARE OUTLOOK LTD

DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 MARCH 2020

Director's responsibilities statement

The director is responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies 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 enable them 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

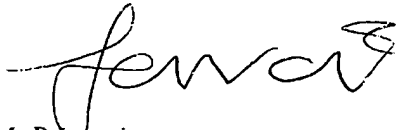
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

CARE OUTLOOK LTD

DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 MARCH 2020

This report was approved by the board of directors on 5 February 2021 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'P Ferrari', written over a horizontal line.

Mr P Ferrari
Director

Registered office:
168 Church Road
Hove
BN3 2DL

CARE OUTLOOK LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARE OUTLOOK LTD

YEAR ENDED 31 MARCH 2020

Opinion

We have audited the financial statements of Care Outlook Ltd (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, 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 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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.

CARE OUTLOOK LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARE OUTLOOK LTD *(continued)*

YEAR ENDED 31 MARCH 2020

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

CARE OUTLOOK LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARE OUTLOOK LTD *(continued)*

YEAR ENDED 31 MARCH 2020

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

CARE OUTLOOK LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARE OUTLOOK LTD *(continued)*

YEAR ENDED 31 MARCH 2020

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our 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.



David Guest (Senior Statutory Auditor)

For and on behalf of
UHY Hacker Young (S.E.) Limited
Chartered accountants & statutory auditor
168 Church Road
Hove
East Sussex
BN3 2DL

5 February 2021

CARE OUTLOOK LTD
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2020

		2020	2019 (restated)
	Note	£	£
Turnover	4	19,402,888	15,656,032
Cost of sales		<u>14,716,981</u>	<u>12,010,245</u>
Gross profit		4,685,907	3,645,787
Administrative expenses		4,693,242	4,172,292
Other operating income	5	<u>105,320</u>	<u>–</u>
Operating profit/(loss)	6	97,985	(526,505)
Other interest receivable and similar income	10	19,148	14,188
Interest payable and similar expenses	11	<u>32,005</u>	<u>42,986</u>
Profit/(loss) before taxation		85,128	(555,303)
Tax on profit/(loss)	12	<u>(25,144)</u>	<u>78,171</u>
Profit/(loss) for the financial year and total comprehensive income		<u>110,272</u>	<u>(633,474)</u>

All the activities of the company are from continuing operations.

The notes on pages 15 to 27 form part of these financial statements.


CARE OUTLOOK LTD

STATEMENT OF FINANCIAL POSITION

31 MARCH 2020

		2020	2019
	Note	£	(restated) £
Fixed assets			
Tangible assets	14	190,783	246,976
Current assets			
Debtors	15	2,748,615	2,402,091
Cash at bank and in hand		151,194	50,709
		<u>2,899,809</u>	<u>2,452,800</u>
Creditors: amounts falling due within one year	16	<u>2,338,157</u>	<u>1,950,661</u>
Net current assets		<u>561,652</u>	<u>502,139</u>
Total assets less current liabilities		<u>752,435</u>	<u>749,115</u>
Creditors: amounts falling due after more than one year	17	<u>158,709</u>	<u>265,661</u>
Net assets		<u>593,726</u>	<u>483,454</u>
Capital and reserves			
Called up share capital	22	100	100
Profit and loss account	23	593,626	483,354
Shareholders funds		<u>593,726</u>	<u>483,454</u>

These financial statements were approved by the board of directors and authorised for issue on 5 February 2021, and are signed on behalf of the board by:



Mr P Jerrari
Director

Company registration number: 05302971

The notes on pages 15 to 27 form part of these financial statements.

CARE OUTLOOK LTD**STATEMENT OF CHANGES IN EQUITY****YEAR ENDED 31 MARCH 2020**

	Note	Called up share capital £	Profit and loss account £	Total £
At 1 April 2018		100	1,116,828	1,116,928
Loss for the year			(633,474)	(633,474)
Total comprehensive income for the year		-	(633,474)	(633,474)
At 31 March 2019 (as previously reported)		100	758,354	758,454
Prior period adjustments	21	-	(275,000)	(275,000)
At 31 March 2019 (restated)		100	483,354	483,454
Profit for the year			110,272	110,272
Total comprehensive income for the year		-	110,272	110,272
At 31 March 2020		100	593,626	593,726

The notes on pages 15 to 27 form part of these financial statements.

CARE OUTLOOK LTD

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2020

	2020	2019 (restated)
	£	£
Cash flows from operating activities		
Profit/(loss) for the financial year	110,272	(633,474)
<i>Adjustments for:</i>		
Depreciation of tangible assets	67,686	87,844
Amortisation of intangible assets	–	88,889
Other interest receivable and similar income	(19,148)	(14,188)
Interest payable and similar expenses	32,005	42,986
Gains on disposal of tangible assets	(7,857)	(69,109)
Tax on profit/(loss)	(25,144)	78,171
Accrued expenses	351,444	304,905
<i>Changes in:</i>		
Trade and other debtors	(321,380)	(668,823)
Trade and other creditors	181,364	(359,681)
Cash generated from operations	369,242	(1,142,480)
Interest paid	(32,005)	(42,986)
Interest received	19,148	14,188
Tax paid	(23,739)	–
Net cash from/(used in) operating activities	<u>332,646</u>	<u>(1,171,278)</u>
Cash flows from investing activities		
Purchase of tangible assets	(29,014)	(142,169)
Proceeds from sale of tangible assets	25,378	1,844,494
Net cash (used in)/from investing activities	<u>(3,636)</u>	<u>1,702,325</u>
Cash flows from financing activities		
Proceeds from borrowings	(189,670)	(818,143)
Payments of finance lease liabilities	(38,855)	35,498
Net cash used in financing activities	<u>(228,525)</u>	<u>(782,645)</u>
Net increase/(decrease) in cash and cash equivalents	100,485	(251,598)
Cash and cash equivalents at beginning of year	50,709	302,307
Cash and cash equivalents at end of year	<u>151,194</u>	<u>50,709</u>

The notes on pages 15 to 27 form part of these financial statements.

CARE OUTLOOK LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 168 Church Road, Hove, BN3 2DL.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The financial statements have been prepared under the going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends upon the continuing support of the creditors and on funding from other external sources. If the company were unable to continue in operational existence for the foreseeable future, adjustment would have to be made to reduce the balance sheet values of the assets to their recoverable amounts, and to provide for further liabilities that might arise. The director believes that it is appropriate for the financial statements to be prepared on the going concern basis.

CARE OUTLOOK LTD

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Impairment of Assets

An impairment provision is charged to reduce the carrying value of specific assets to the recoverable amount where impairment is considered to have occurred. Where the recoverable amount is greater than the carrying value no adjustment is made. The recoverable amount is the higher of the net realisable value and the value in use. Net realisable value is the amount at which an asset could be disposed of less any direct selling costs, and value in use is the present value of future cash flows obtainable as a result of the continued use of assets, including those resulting from an ultimate disposal.

Revenue recognition

Turnover represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due.

Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total expected consideration at completion. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

CARE OUTLOOK LTD

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

3. Accounting policies *(continued)*

Income tax *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	5% straight line
Computer software	-	10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

CARE OUTLOOK LTD

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Plant and machinery	-	25% reducing balance
Fixtures and fittings	-	20% reducing balance
Motor vehicles	-	25% reducing balance
Equipment	-	33% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

CARE OUTLOOK LTD

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2020	2019 <i>(restated)</i>
	£	£
Rendering of services	<u>19,402,888</u>	<u>15,656,032</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Other operating income

	2020	2019 <i>(restated)</i>
	£	£
Other operating income	<u>105,320</u>	<u>—</u>

CARE OUTLOOK LTD

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2020	2019 <i>(restated)</i>
	£	£
Amortisation of intangible assets	–	88,889
Depreciation of tangible assets	67,686	87,844
Gains on disposal of tangible assets	(7,857)	(69,109)
Impairment of trade debtors	<u>38,722</u>	<u>32,518</u>

7. Auditor's remuneration

	2020	2019 <i>(restated)</i>
	£	£
Fees payable for the audit of the financial statements	<u>18,000</u>	<u>18,000</u>

8. Staff costs

The average number of persons employed by the company during the year, including the director, amounted to:

	2020 No.	2019 No.
Production staff	930	772
Administrative staff	108	95
Management staff	25	23
	<u>1,063</u>	<u>890</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2020	2019 <i>(restated)</i>
	£	£
Wages and salaries	16,003,122	13,260,413
Social security costs	1,197,745	1,011,981
Other pension costs	375,634	284,576
	<u>17,576,501</u>	<u>14,556,970</u>

CARE OUTLOOK LTD

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

9. Director's remuneration

The director's aggregate remuneration in respect of qualifying services was:

	2020	2019 <i>(restated)</i>
	£	£
Remuneration	196,322	184,200
Company contributions to defined contribution pension plans	15,794	403
	<u>212,116</u>	<u>184,603</u>

10. Other interest receivable and similar income

	2020	2019 <i>(restated)</i>
	£	£
Interest on loans and receivables	19,136	14,000
Interest on cash and cash equivalents	12	188
	<u>19,148</u>	<u>14,188</u>

11. Interest payable and similar expenses

	2020	2019 <i>(restated)</i>
	£	£
Interest on banks loans and overdrafts	24,134	37,542
Interest on obligations under finance leases and hire purchase contracts	7,871	5,444
	<u>32,005</u>	<u>42,986</u>

12. Tax on profit/(loss)

Major components of tax (income)/expense

	2020	2019 <i>(restated)</i>
	£	£
Current tax:		
Adjustments in respect of prior periods	–	108,261
Deferred tax:		
Origination and reversal of timing differences	(25,144)	(30,090)
Tax on profit/(loss)	<u>(25,144)</u>	<u>78,171</u>

CARE OUTLOOK LTD

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

12. Tax on profit/(loss) *(continued)*

Reconciliation of tax (income)/expense

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020	2019 <i>(restated)</i>
	£	£
Profit/(loss) on ordinary activities before taxation	<u>85,128</u>	<u>(555,303)</u>
Profit/(loss) on ordinary activities by rate of tax	<u>16,174</u>	<u>(105,508)</u>
Adjustment to tax charge in respect of prior periods	-	108,261
Effect of expenses not deductible for tax purposes	(52,111)	519
Effect of capital allowances and depreciation	7,102	8,469
Unused tax losses	20,136	83,313
Pension plan obligations	8,699	13,207
Movement in deferred taxation	<u>(25,144)</u>	<u>(30,090)</u>
Tax on profit/(loss)	<u>(25,144)</u>	<u>78,171</u>

13. Intangible assets

	Goodwill £	Computer software £	Total £
Cost			
At 1 April 2019 (as restated) and 31 March 2020	<u>140,609</u>	<u>100,160</u>	<u>240,769</u>
Amortisation			
At 1 April 2019 and 31 March 2020	<u>140,609</u>	<u>100,160</u>	<u>240,769</u>
Carrying amount			
At 31 March 2020	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2019	<u>-</u>	<u>-</u>	<u>-</u>

CARE OUTLOOK LTD

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

14. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost					
At 1 April 2019 (as restated)	207,676	45,284	226,830	144,295	624,085
Additions	1,462	3,785	–	23,767	29,014
Disposals	(4,981)	–	(28,857)	–	(33,838)
At 31 March 2020	204,157	49,069	197,973	168,062	619,261
Depreciation					
At 1 April 2019	135,577	24,209	118,721	98,602	377,109
Charge for the year	17,145	4,972	22,647	22,922	67,686
Disposals	(4,981)	–	(11,336)	–	(16,317)
At 31 March 2020	147,741	29,181	130,032	121,524	428,478
Carrying amount					
At 31 March 2020	56,416	19,888	67,941	46,538	190,783
At 31 March 2019	72,099	21,075	108,109	45,693	246,976

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Motor vehicles £
At 31 March 2020	67,941
At 31 March 2019	108,109

15. Debtors

	2020 £	2019 (restated) £
Trade debtors	1,067,569	1,259,284
Deferred tax asset	55,234	30,090
Prepayments and accrued income	1,130,864	600,961
Director's loan account	–	27,579
Other debtors	494,948	484,177
	2,748,615	2,402,091

CARE OUTLOOK LTD

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

16. Creditors: amounts falling due within one year

	2020	2019 <i>(restated)</i>
	£	£
Bank loans and overdrafts	72,000	190,592
Trade creditors	161,787	96,195
Accruals and deferred income	666,188	314,744
Corporation tax	84,522	108,261
Social security and other taxes	397,522	225,995
Obligations under finance leases and hire purchase contracts	18,788	21,769
Other loans	433,814	602,646
Shareholder loans	146,000	146,000
Other creditors	357,536	244,459
	<u>2,338,157</u>	<u>1,950,661</u>

The loans are secured by a fixed and floating charge over all the assets of the business.

17. Creditors: amounts falling due after more than one year

	2020	2019 <i>(restated)</i>
	£	£
Bank loans and overdrafts	83,240	154,318
Obligations under finance leases and hire purchase contracts	75,469	111,343
	<u>158,709</u>	<u>265,661</u>

18. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2020	2019 <i>(restated)</i>
	£	£
Not later than 1 year	18,788	21,769
Later than 1 year and not later than 5 years	75,469	111,343
	<u>94,257</u>	<u>133,112</u>

CARE OUTLOOK LTD

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

19. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2020	2019 <i>(restated)</i>
	£	£
Included in debtors (note 15)	<u>55,234</u>	<u>30,090</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2020	2019 <i>(restated)</i>
	£	£
Accelerated capital allowances	7,066	14,179
Unused tax losses	(40,394)	(31,062)
Pension plan obligations	(21,906)	(13,207)
	<u>(55,234)</u>	<u>(30,090)</u>

20. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £375,634 (2019: £284,576).

21. Prior period errors

The accounts have been restated to incorporate accrued wages. The change resulted in accruals and wages costs both increasing by £275,000. This in turn increased the prior year loss by £275,000.

22. Called up share capital

Issued, called up and fully paid

	2020		2019 <i>(restated)</i>	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

23. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

CARE OUTLOOK LTD

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

24. Analysis of changes in net debt

	At 1 Apr 2019	Cash flows	At 31 Mar 2020
	£	£	£
Cash at bank and in hand	50,709	100,485	151,194
Debt due within one year	(212,361)	121,573	(90,788)
Debt due after one year	(265,661)	106,952	(158,709)
	<u>(427,313)</u>	<u>329,010</u>	<u>(98,303)</u>

25. Director's advances, credits and guarantees

During the year the director entered into the following advances and credits with the company:

	2020		
	Balance brought forward	Advances/ (credits) to the director	Balance outstanding
	£	£	£
Mr P Jerrari	<u>27,579</u>	<u>(27,579)</u>	<u>-</u>

	2019		
	Balance brought forward	Advances/ (credits) to the director	Balance outstanding
	£	£	£
Mr P Jerrari	<u>(2,421)</u>	<u>30,000</u>	<u>27,579</u>

During the year the company advanced funds to the director. The loan was interest free and payable on demand.

CARE OUTLOOK LTD

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

26. Related party transactions

The company is under the control of Mr K Jerrari who is the father of the sole director Mr P Jerrari.

Shareholder loans

At the year end the following balances were owed to the shareholders and no interest was paid:

Mr K Jerrari £58,250 (2019 - £58,250).

Mrs S Jerrari £29,250 (2019 - £29,250).

Ms K Fenton £29,250 (2019 - £29,250).

Mr T McElligot £29,250 (2019 - £29,250).

Outlook Capital Ltd

Outlook Capital Ltd is controlled by Mr K Jerrari and the sole director is Mr P Jerrari. At the year end Outlook Capital Ltd owed Care Outlook Ltd £377,547.

Broxbourne Properties Ltd

Broxbourne Properties Ltd is controlled by Mr P Jerrari. At the year end Care Outlook Ltd owed Broxbourne Properties Ltd £68,225.

STE N-N Alternative

STE N-N Alternative is controlled by Mr K Jerrari.

STE N-N Alternative invoiced consultancy fees to the company of £120,000.