

Abicare Services Limited

**Abbreviated Accounts
Year Ended 31 July 2014**

Company Registration Number: 05597217

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Abicare Services Limited

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Abicare Services Limited

Independent Auditor's Report under section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages 3 to 7 together with the financial statements of Abicare Services Limited for the year ended 31 July 2014 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The director is responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Other information

On 31/7/2015 we reported as auditor to the members of the company on the financial statements prepared under section 396 of the companies Act 2006 and our report included the following paragraph:

Emphasis of matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in Note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £360,978 during the year ended 31 July 2014 and, at that date, the company's current liabilities exceeded its total assets by £981,291 and it had net current liabilities of £1,024,856. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Other matter

The corresponding figures for the year ended 31 July 2013 are unaudited.

Abicare Services Limited

**Independent Auditor's Report under section 449 of the Companies Act
2006**

... *continued*

Francis Clark LLP

Michael Bath (Senior Statutory Auditor)
For and on behalf of Francis Clark LLP, Statutory Auditor

Hitchcock House
Hilltop Park
Devizes Road
Salisbury
Wiltshire
SP3 4UF


Date *31/7/2015*

Abicare Services Limited
Abbreviated Balance Sheet
31 July 2014

	Note	2014 £	(As restated) 2013 £
Fixed assets			
Tangible fixed assets	2	<u>43,565</u>	<u>33,074</u>
Current assets			
Debtors		1,396,926	819,394
Cash at bank and in hand		<u>25,175</u>	<u>43,413</u>
		1,422,101	862,807
Creditors Amounts falling due within one year		<u>(2,446,957)</u>	<u>(1,487,999)</u>
Net current liabilities		<u>(1,024,856)</u>	<u>(625,192)</u>
Total assets less current liabilities		(981,291)	(592,118)
Creditors Amounts falling due after more than one year		<u>(39,942)</u>	<u>(68,137)</u>
Net liabilities		<u>(1,021,233)</u>	<u>(660,255)</u>
Capital and reserves			
Called up share capital	4	4	4
Profit and loss account		<u>(1,021,237)</u>	<u>(660,259)</u>
Shareholders' deficit		<u>(1,021,233)</u>	<u>(660,255)</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

Approved by the director on 31 07 15


Mrs A M Perry
Director

Company Registration Number 05597217

Abicare Services Limited

Notes to the Abbreviated Accounts

Year Ended 31 July 2014

1 Accounting policies

Basis of preparation

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (Effective April 2008)

Going concern

The accounts have been prepared on a going concern basis

The company accounts show a post-tax loss of £360,978 (2013 £260,369) for the year ended 31 July 2014 and net current liabilities of £1,024,856 (2013 £625,192 as restated) at the balance sheet date

The company has financed the deficit principally by way of a loan from P Mason, brother of Mrs A M Perry (director of the company) At the balance sheet date the loan due to P Mason was £714,812 (2013 £399,862)

The company is committed to providing value for money services to support clients, actively leveraging technology to assist care customers in making their everyday lives easier, more inclusive and more manageable Embracing this conviction, the company has made significant investment of capital since 2011 in the development of a new product, together with the introduction of new electronic monitoring (EM) management and scheduling system in 2014

Development costs on the new product and the training and introduction costs of the new scheduling system have had an adverse impact on both cash flow and profitability as reflected in the accounts, but as the new service offering matures and is optimised into full service in the next two years, this position should be addressed The introduction of an improved scheduling and EM system has enabled the company to increase turnover, which should ultimately have a positive impact on profitability despite the significant cost to install the system

Changes made to facilitate growth and improve both profitability and cash flow in 2014/2015 were as follows

Centralised recruitment to minimise the impact upon local management and to obtain economies of scale

Restructured finance department to enhance the timeliness and integration of management information and to release the Managing Director to focus on strategic development

Improved systems - purchase of new rostering and electronic monitoring system which enables staff to electronically monitor their calls and streamline administration in future

Abicare Services Limited

Notes to the Abbreviated Accounts

Year Ended 31 July 2014

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Cash and profit forecasts

The company has forecast cashflows using a modest growth trend that can be achieved with organic growth within existing offices and localities. The company has not predicted any LiveIn growth though there is opportunity there that will not adversely affect cashflows. A new invoice discounting facility was put in place in May 2015 that should enable growth and facilitate cash management on a daily basis. The company has also converted £100,000 of P Mason's loan into an equity stake, improving the balance sheet liquidity position.

With new systems and controls the company has seen a positive impact on profitability, the business having shown profit every month this financial year to date. This trend is set to continue with continued growth and fixed overheads sufficient to handle a further 50% increase in hours.

The director has prepared detailed cash flow forecasts up to 31 July 2016. These forecasts assume an ongoing level of support from the current shareholders and include the impact of confirmed new contract wins, the conversion of a portion of P Mason's short-term loan to equity, and a substantially increased invoice facility executed during May 2015. These projections show the company exceeding its confirmed facility limit, however the Director is confident of being able to negotiate an enhanced facility level to match the requirement. Should the financial support from the current shareholders cease, the projected cash flows fall materially short, or some additional facility level not be forthcoming, the going concern basis used in preparing the accounts may no longer be valid and adjustments to the carrying value of assets and liabilities would have to be made.

Based on the forecasts and projections, the director has a reasonable expectation that the company will have adequate resources to continue to meet its liabilities as they fall due for the foreseeable future. The directors therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

Turnover

Turnover represents the fair value of consideration receivable, excluding Value Added Tax, in the ordinary course of business for goods and services provided.

In respect of contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced based upon hours booked to individual clients.

Amortisation

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

Asset class	Amortisation method and rate
Trademarks and Patents	20% straight line

Depreciation

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

Abicare Services Limited

Notes to the Abbreviated Accounts

Year Ended 31 July 2014

.... continued

Asset class	Depreciation method and rate
Plant & Machinery	20% straight line
Motor Vehicles	25% straight line
Office equipment	33% straight line

Research and development

Development costs are written off to the profit and loss account as they are incurred

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as required by the FRSSE

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme

2 Fixed assets

	Intangible assets £	Tangible assets £	Total £
Cost			
At 1 August 2013	28,982	183,513	212,495
Additions	-	30,946	30,946
Disposals	-	(64,382)	(64,382)
At 31 July 2014	28,982	150,077	179,059
Depreciation			
At 1 August 2013	28,982	150,439	179,421
Charge for the year	-	17,695	17,695
Eliminated on disposals	-	(61,622)	(61,622)
At 31 July 2014	28,982	106,512	135,494
Net book value			
At 31 July 2014	-	43,565	43,565
At 31 July 2013	-	33,074	33,074

Abicare Services Limited
Notes to the Abbreviated Accounts
Year Ended 31 July 2014
... continued

3 Creditors

Creditors includes the following liabilities, on which security has been given by the company

	2014 £	2013 £
Amounts falling due within one year	580,450	264,066
Amounts falling due after more than one year	<u>39,942</u>	<u>68,137</u>
Total secured creditors	<u>620,392</u>	<u>332,203</u>

4 Share capital

Allotted, called up and fully paid shares

	2014	2013
	No £	No £
Ordinary shares of £1 each	<u>4</u> <u>4</u>	<u>4</u> <u>4</u>

5 Prior period adjustments

The director has identified a number of prepayments that do not meet the recognition criteria of an asset and should have been recognised as an expense in the previous year. This error has been corrected as a prior year adjustment.

The effect of this is to decrease the value of prepayments at 31 July 2013 by £95,720 and to increase expenses by the same amount. The effect in the year ended 31 July 2014 is to increase the deficit on opening reserves by £95,720 and to decrease expenses by the same amount.

6 Related party transactions

Director's advances and credits

	2014 Advance/ Credit £	2014 Repaid £	2013 Advance/ Credit £	2013 Repaid £
Mrs A M Perry				
Interest free loan repayable on demand	<u>84,377</u>	<u>70,048</u>	<u>13,686</u>	<u>-</u>