

I S S Healthcare Limited

Annual Report and Unaudited Financial Statements

For the year ended 31 March 2019



Company Number 05762103

I S S Healthcare Limited

**Annual report and unaudited financial statements
for the year ended 31 March 2019**

Contents

Page:

2	Strategic report
4	Report of the directors
7	Statement of comprehensive income
8	Balance sheet
9	Statement of changes in equity
10	Notes forming part of the financial statements

Directors

J Thorburn-Muirhead
N Goodban

Company Secretary

N Goodban

Registered office

101-103 Baker Street
3rd Floor Caparo House
London
W1U 6EF

I S S Healthcare Limited

Strategic report for the year ended 31 March 2019

The directors present their strategic report together with the unaudited financial statements for I S S Healthcare Limited (the 'Company') for the year ended 31 March 2019.

Results and dividends

The results for the year ended 31 March 2019 are disclosed on page 7 and show a profit after taxation of £32k (2018: profit of £43k). No dividends have been paid or proposed in the year (2018: £nil).

Financial review

Turnover for the year amounted to £1,298k (2018: £1,367k) which resulted in profit on ordinary activities before interest and taxation of £32k (2018: profit of £43k).

Key performance indicators

The Company's primary KPI is weekly delivered care volumes. Average weekly chargeable hours have remained stable in the year to March 2019.

Principal risks and uncertainties

The Company is exposed to non-financial risks such as the loss of major contracts, a significant change in the market dynamic, regulatory risk and the loss of key people

The risk associated with the loss of major contracts is mitigated by virtue of a strong pipeline of new business opportunities to replace any contract losses, the absence of undue reliance on any single contract which could potentially impact the overall performance of the Company as well as operating a number of long-term and rolling contracts. *With the number of customer contracts in operation across the Company, the retendering process is on-going.* The Company remains confident of retaining a very high proportion of existing business due for retender in the next 12 months and retender statistics over the last 48 months support that view.

The risks around market dynamics are constantly developing. The Company maintains a keen interest in political developments, is an active participant in meetings of industry representative, the United Kingdom Homecare Association ("UKHCA"), and keeps abreast of developments and interpretations of all relevant legislation pertaining to its workforce, the sector and its customer base.

Whilst funding pressures continue to impact the sector the Company maintains strong pricing discipline through tender and retender activity thereby maintaining a financially viable portfolio. The Company also annually renegotiates prices with its customers. Central and local government budgetary policy change over the last 24-36 months has also steadily improved that funding dynamic through ring-fenced council tax precept allocations, *reallocations from more discretionary areas of public expenditure in favour of social care and separately allocated specific 'Improved Better Care Funding' (IBCF) to the homecare sector which started to filter down through the system in late 2018 to further support local authority charge rates.* A clear political consensus exists to further increase social care funding and with clearly defined non-discretionary Care Act obligations and limited scope for Local Authorities to exert greater tightening around eligibility criteria the position should only continue to improve.

The principal activities of the Company are regulated which presents a potential risk of continued service in the event of regulatory enforcement action. The Company takes its relationship with its Regulators extremely seriously in all areas in which it operates and seeks to maintain a responsible and responsive relationship with each regulator, taking guidance and challenge promptly. The Company invests heavily in its Quality governance back-office infrastructure to ensure robust internal audit processes are followed as a matter of course

The success of that program is clearly evident by the fact the Company is operating without any Inadequate or equivalent rated branch operations across its portfolio.

I S S Healthcare Limited

Strategic report for the year ended 31 March 2019 (continued)

The Company has a comprehensive and extensive quality management system. This includes a dedicated quality team which reports separately to the operational line; quality is reviewed throughout the monthly management reporting cycle, up to board level; processes and systems are constantly reviewed for updates and improvements; there is a developed incident management system, escalating incidents and issues according to severity, the group operates a risk-based scoring system to understand where issues may arise and quality metrics are reported through an organisation wide IT system which tracks key quality KPIs by branch.

The Company is dependent on being able to recruit, train and retain an appropriate number of carers and branch staff. If it is unable to do this both quality of service and volume may be impacted. At the same time this is also an area of competitive opportunity for the Company. The Company has a robust recruitment process and is investing in initiatives to improve staff attraction and retention. This is an area of continuous monitoring and improvement. The Company believes it has excellent training programmes and is investing for further improvement. The Company is also deploying technology which it believes will make both carer and branch staff roles more rewarding and satisfying, further aiding retention.

The Company is always seeking people to join the business with the right skill set to replace the loss of key staff as and when that occurs. Following further significant Senior Management and Operational headcount investment in the financial year 2019 the Company's staff base has never been more robust.

Future strategy

The outlook for the financial year 2020 and beyond is positive.

By order of the board


N Goodban
Director

22 November 2019

I S S Healthcare Limited

Report of the Directors for the year ended 31 March 2019

The Directors present their annual report together with the unaudited financial statements of the Company for the year ended 31 March 2019.

Principal activities and future developments

The principal activity of the Company is the provision of domiciliary care services across the United Kingdom. These services include support to people over sixty-five years of age, as well as young adults and children with a broad range of needs including physical and sensory impairment, mental illness and learning disabilities. These services are delivered in the service users homes. The directors propose to continue the same activities next year.

Political and charitable donations

The Company made no donations during the year (2018: £nil).

Financial risk management

The Company focuses on best practise to effectively manage the financial risks associated with its business and the financing of those activities. Due to the nature of the Company's business and its asset and liability base, the only financial risks that the Directors consider relevant to the Company are price, credit, and liquidity risk.

Price risk

Given the nature of the business in which the Company is engaged, it bears minimal risk of price inflation in the absence of any significant purchase obligations other than statutory national living wage increases. The Company's leased property portfolio is small and its annual obligations are immaterial to the performance of the Company as a whole. Price pressures are exerted by customers and these are managed through contractual negotiation and charge rate restructuring.

Credit risk

The Company's exposure to credit risk is mitigated through its large customer base, minimal credit exposure on any one customer contract, its focus on long-term customer relationships and active monitoring of the credit status of overdue customer accounts.

Liquidity risk

The Company manages liquidity risk by budgeting and forecasting cash flows in the short to medium term and monitoring working capital positions on a monthly basis. Long-term liquidity is assured through committed funding arrangements from other group companies to meet foreseeable peak borrowing requirements.

Post balance sheet events

On 1 April 2019 the trade and assets of subsidiary Freedom Choice Care Limited were transferred into the Company.

Going Concern

The directors have continued to review the Company's cash flow forecasts and trading budgets and after making appropriate enquiries, have formed the view that the Company is operationally and financially robust and will generate sufficient cash to meet its ongoing requirements for at least the next 12 months from the date of approval of these financial statements.

The Company's cash flow forecasts continue to indicate strong cash generation more than sufficient to meet liabilities as they fall due.

The Company's forecasts include modelling covenant compliance which indicates that significant headroom exists in the foreseeable future. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

I S S Healthcare Limited

Report of the Directors for the year ended 31 March 2019 (*continued*)

Directors

The following served as directors during the year and up to the date of signing the financial statements

J Thorburn-Muirhead
N Goodban

Directors' indemnities and insurance

The Company has indemnified its directors, by way of directors and officer's liability insurance, against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force at the date of approving the Report of the Directors.

Employee involvement

Employee involvement is fundamental to the Company's success. The policy of regular meetings between management and employees and Company newsletters provides employees with information which encourages the free flow of information and ideas. Investment in training and development is actively encouraged for all levels of employees, as this is considered critical for the success of the Company.

Disabled employees

The Company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retaining of employees who become disabled whilst employed by the Company. Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the Company.

Environmental awareness

The Company is committed to ensuring that the environmental consequences of its operations are minimised as far as practicable. As such the Company pursues the following objectives

- Recycling of waste where possible,
- Conserving of energy and water; and
- Recycling of consumables (paper, card, ink cartridges).

Statement of directors' responsibilities in respect of the strategic report, the report of the directors and the financial statements

The directors are responsible for preparing the Strategic Report, Report of the Directors 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102, the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), 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 for that period.

I S S Healthcare Limited

Report of the Directors for the year ended 31 March 2019 (*continued*)

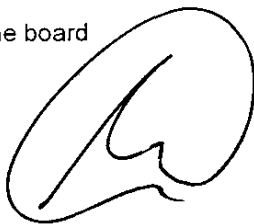
Statement of directors' responsibilities in respect of the strategic report, the report of the directors and the financial statements (*continued*)

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 comprising FRS 102 have 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

By order of the board



N Goodban
Director
22 November 2019

I S S Healthcare Limited

Statement of comprehensive income for the year ended 31 March 2019

	Note	2019 £'000	2018 £'000
Turnover	4	1,298	1,367
Cost of sales		(1,142)	(1,238)
Exceptional cost of sales	5	-	41
		<hr/>	<hr/>
Gross profit		156	170
Administrative expenses:			
Depreciation		(2)	(3)
Other operating expenses		(122)	(124)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	6	32	43
Tax on profit on ordinary activities	9	-	-
		<hr/>	<hr/>
Profit for the financial year		32	43
		<hr/>	<hr/>

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Balance sheet
at 31 March 2019

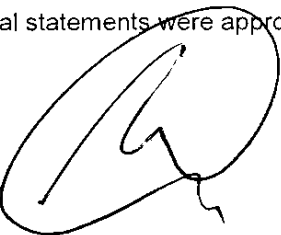
	Note	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Investments	10		3,586		3,586
Tangible assets	11		-		2
			<u>3,586</u>		<u>3,588</u>
Current assets					
Debtors	12	254		288	
Creditors: amounts falling due within one year	13	<u>(3,197)</u>		<u>(3,265)</u>	
Net current assets			<u>(2,943)</u>		<u>(2,977)</u>
Total assets less current liabilities			643		611
Provisions for liabilities	15		<u>(15)</u>		<u>(15)</u>
Net assets			<u>628</u>		<u>596</u>
Capital and reserves					
Called up share capital	16		-		-
Profit and loss account			628		596
Total equity			<u>628</u>		<u>596</u>

For the year ended 31 March 2019 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies and the members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the act with respect to accounting records and the preparation of the financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 22 November 2019.

N Goodbar
Director



Company number 05762103

I S S Healthcare Limited

Statement of changes in equity for the year ended 31 March 2019

	Called up Share capital £'000	Profit and loss account £'000	Total equity £'000
At 1 April 2017	-	553	553
Profit for the financial year	-	43	43
At 31 March 2018	-	596	596
	<hr/>	<hr/>	<hr/>
Profit for the financial year	-	32	32
	<hr/>	<hr/>	<hr/>
At 31 March 2019	-	628	628
	<hr/>	<hr/>	<hr/>

I S S Healthcare Limited

Notes forming part of the financial statements
for the year ended 31 March 2019

1 Corporate information

I S S Healthcare Limited (the 'Company') operates as providers of domiciliary care services across the United Kingdom.

The Company is a private company limited by shares and incorporated in England. The address of its registered office is 101-103 Baker Street, 3rd Floor Caparo House, London, W1U 6EF.

2 Statement of compliance

The financial statements of I S S Healthcare Limited have been prepared in accordance with United Kingdom Accounting Standards which comply with Financial Reporting Standard 102 and the Companies Act 2006.

3 Summary of significant accounting policies

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

These financial statements have been prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are addressed below.

Key sources of estimation uncertainty.

- Determining the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers various factors, including the ageing profile of the debtor and historical experience.

Key areas of judgement:

- Determine whether there are indicators of impairment of the Company's investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

New standards and IFRIC interpretations

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2019, have had a material impact on the Company.

ISS Healthcare Limited

Notes forming part of the financial statements
for the year ended 31 March 2019 (*continued*)

3 Summary of significant accounting policies (*continued*)

Exemptions of qualifying entities under FRS 102

FRS 102 allows qualifying entities certain disclosure exemptions, subject to certain conditions, which have been complied with. The Company has taken advantage of the exemptions set out below on the basis that it is a qualifying entity since its results are included in the consolidated financial statements of C&C Topco Limited which are available from 101-103 Baker Street, 3rd Floor Caparo House, London, W1U 6EF.

- Section 7 – Statement of cashflows,
- Section 11 – Financial instruments (paragraphs 11.39 to 11.48A);
- Section 12 – Other financial instruments (paragraphs 12.26 to 12.29);
- Section 33 – Related party disclosures (paragraph 33.7);
- Section 33 – Key management personnel (paragraph 33.7).

Going Concern

The directors have continued to review the Company's cash flow forecasts and trading budgets and after making appropriate enquiries, have formed the view that the Company is operationally and financially robust and will generate sufficient cash to meet its ongoing requirements for at least the next 12 months from the date of approval of these financial statements.

The Company's cash flow forecasts continue to indicate strong cash generation more than sufficient to meet liabilities as they fall due.

The Company's forecasts include modelling covenant compliance which indicates that significant headroom exists in the foreseeable future. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements

Turnover

Turnover represents the amounts receivable from the provision of domiciliary care services. Turnover is stated net of value added tax and is recognised in the profit and loss account when the service is provided to the customer.

Exceptional items

The Company classifies certain one-off items that have a material impact, by amount or nature, on the Company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Company.

Employee benefits

The Company provides a range of benefits to employees including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as expenses in the period in which the service is received.

(ii) Pension plans

Amounts charged to the profit and loss account in respect of pension costs represents the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments.

I S S Healthcare Limited

Notes forming part of the financial statements
for the year ended 31 March 2019 (*continued*)

3 Summary of significant accounting policies (*continued*)

Employee benefits (continued)

(iii) Annual bonus plan

The Company operates an annual bonus plan for certain employees. An expense is recognised in the profit and loss account when the Company has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the country where the Company operates and generates taxable income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits, and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tangible fixed assets

Tangible fixed assets are stated at deemed cost which is the same as historical cost less accumulated depreciation and any accumulated impairment losses at the date of transition to FRS 102, plus subsequent costs of additions less subsequent depreciation. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Repairs and maintenance are charged to profit or loss during the period in which they are incurred

Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Computer equipment	5 years
Fixtures, fittings and equipment	5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating expenses' in the profit and loss account

I S S Healthcare Limited

Notes forming part of the financial statements
for the year ended 31 March 2019 (*continued*)

3 Summary of significant accounting policies (*continued*)

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 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 fair value less costs to sell and value in use. 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.

Leased assets

All leases are treated as operating leases and their annual rents are charged to the profit or loss account on a straight-line basis over the term of the lease.

Investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and amounts due from group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised.

I S S Healthcare Limited

Notes forming part of the financial statements
for the year ended 31 March 2019 (continued)

3 Summary of significant accounting policies (continued)

Financial assets (continued)

The impairment reversal is recognised in profit or loss. Financial assets are derecognised when (a) the contractual rights to the cash flow from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables and amounts due to group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires

Share capital

Ordinary shares are classified as equity.

4 Turnover

	2019 £'000	2018 £'000
Analysis by class of business		
Domiciliary Care	1,298	1,367

Turnover arose entirely in the United Kingdom.

5 Exceptional items

	2019 £'000	2018 £'000
Charged to operating profit		
Provision releases (note 15)	-	41

6 Profit on ordinary activities before taxation

	2019 £'000	2018 £'000
This is stated after charging		
Depreciation of tangible fixed assets	2	3
Operating lease rentals	13	13

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Notes forming part of the financial statements
for the year ended 31 March 2019 (*continued*)

7 Staff costs

	2019 £'000	2018 £'000
Wages and salaries	1,008	1,038
Social security costs	43	63
Cost of defined contribution scheme	8	4
	<u>1,059</u>	<u>1,105</u>

The pension cost charge represents contributions payable by the Company for auto-enrolment schemes. Contributions amounting to £nil (2018: nil) are included in other creditors at the year end.

The average number of employees during the year was as follows

	2019 Number	2018 Number
Branch management and administration	5	3
Care and support workers (full and part-time)	88	88
	<u>93</u>	<u>91</u>

8 Directors' remuneration

The directors who served during the year are also directors of other undertakings within the Group and their remuneration is included in the financial statements of C&C Topco Limited. No emoluments were paid to the directors for their services to the Company.

9 Tax on profit on ordinary activities

(a) Factors affecting the tax charge for the year:

The tax assessed for the year is lower (2018: lower) than the standard rate of corporation tax in the UK applied to loss before tax. The differences are explained below.

	2019 £'000	2018 £'000
Profit on ordinary activities before tax	<u>32</u>	<u>43</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2018: 19%)	6	8
Effects of Group relief	<u>(6)</u>	<u>(8)</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

ISS Healthcare Limited

Notes forming part of the financial statements
for the year ended 31 March 2019 (continued)

9 Tax on profit on ordinary activities (continued)

(b) Factors that may affect future taxation:

In the Budget on 16 March 2016, the Chancellor announced that the standard rate of UK Corporation Tax will be reduced from 1 April 2020 to 17%. In addition, he announced that the planned reductions in rates would be delayed and amended so that the standard rate of UK Corporation Tax will be reduced from 20% to 19% from 1 April 2017, with a further reduction to 17% from 1 April 2020.

The deferred tax assets and liabilities at the balance sheet date are calculated at the substantively enacted rates of 19% and 17%.

10 Investments

	Subsidiary undertakings £'000
<i>Cost</i>	
At 1 April 2018 and 31 March 2019	3,586

The Company owns the entire share capital of Freedom Choice Care Limited. This company operates as a provider of domiciliary care services across Wales. The company is a private company limited by shares and incorporated in England. The address of its registered office is 101-103 Baker Street, 3rd Floor, Caparo House, London, W1U 6EF.

11 Tangible fixed assets

	Computer equipment £'000	Fixtures, fittings and equipment £'000	Total £'000
<i>Cost</i>			
At 1 April 2018 and 31 March 2019	6	4	10
<i>Depreciation</i>			
At 1 April 2018	5	3	8
Charge for the year	1	1	2
At 31 March 2019	6	4	10
<i>Net book value</i>			
At 31 March 2019	-	-	-
At 31 March 2018	1	1	2

ISS Healthcare Limited

Notes forming part of the financial statements
for the year ended 31 March 2019 (*continued*)

12 Debtors

	2019 £'000	2018 £'000
Trade debtors	109	62
Amounts owed by group undertakings	90	94
Prepayments and accrued income	55	132
	<u>254</u>	<u>288</u>

All amounts shown under debtors fall due for payment within one year. Amounts owed by group undertakings are unsecured, have no fixed date of repayment and bear no interest.

13 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	7	5
Amounts owed to group undertakings	2,670	2,712
Taxation and social security	8	11
Accruals and deferred income	512	537
	<u>3,197</u>	<u>3,265</u>

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and bear no interest

14 Financial instruments

The Company's financial instruments may be analysed as follows:

	2019 £'000	2018 £'000
Financial Assets		
Financial assets measured at amortised cost	<u>199</u>	<u>156</u>
Financial assets measured at amortised cost comprise of trade debtors, other debtors and amounts due from group undertakings.		
	2019 £'000	2018 £'000
Financial liabilities		
Financial liabilities measured at amortised cost	<u>2,677</u>	<u>2,717</u>

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors and amounts due to group undertakings.

I S S Healthcare Limited

Notes forming part of the financial statements
for the year ended 31 March 2019 (*continued*)

15 Provisions for liabilities and charges

	Dilapidations £'000
At 1 April 2018 and At 31 March 2019	15

Dilapidation provisions

Provision for dilapidations represents the estimated cost of repairs required under all current property rentals prior to the end of the lease term.

16 Called up share capital

	2019 £	2018 £
<i>Allotted, called up and fully paid.</i>		
4 ordinary shares of £1 each	4	4

17 Capital commitments and contingent liabilities

There are no material capital commitments (2018: £nil).

The borrowings of C&C Topco Limited are secured on the assets of the Company and guaranteed by fellow members of the Group. At 31 March 2019, Group borrowings subject to the guarantee amounted to £89.1m (2018 £76.0m).

18 Commitments under operating leases

The Company had minimum lease payments under non-cancellable operating leases as set out below:

	2019 £'000	2018 £'000
Not later than 1 year	-	9

19 Post balance sheet events

On 1 April 2019 the trade and assets of subsidiary Freedom Choice Care Limited were transferred into the Company.

20 Related party transactions

The Company is included within the consolidated financial statements of C&C Topco Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption under FRS 102 'Related Party Disclosures' from disclosing related party transactions with C&C Topco Limited or other wholly owned subsidiaries which are part of the Group.

I S S Healthcare Limited

**Notes forming part of the financial statements
for the year ended 31 March 2019 (*continued*)**

21 Ultimate controlling party

The Company is subsidiary of City and County Healthcare Group Limited, a company incorporated in England and Wales.

The only group in which the results of I S S Healthcare UK Limited are consolidated is that headed by C&C Topco Limited, a company incorporated in England and Wales. Consolidated financial statements are available to the public and may be obtained from Companies House.

At 31 March 2019, the majority of the equity shareholding of C&C Topco Limited were held by Graphite Capital Partners VIII, a series of limited liability partnerships. Accordingly, the directors believe there is no ultimate controlling party.