

Comfort Call Limited

Report and Financial Statements

Year Ended

31 August 2012

Company Number 05763279



Comfort Call Limited

Report and financial statements for the year ended 31 August 2012

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Directors

M A J Harrison
C Rushton

Secretary and registered office

M A J Harrison, Staple Court, 11 Staple Inn Buildings, London, WC1V 7QH

Company number

05763279

Auditors

BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU

Comfort Call Limited

Report of the directors for the year ended 31 August 2012

The directors present their report together with the audited financial statements for the year ended 31 August 2012

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year

Principal activities and business review

The principal activity of the Company is the provision of domiciliary care services focused largely in and around the north of England. These services comprise 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, learning disabilities and a range of complex health needs.

The Company continued to grow organically in FY12. As shown in the Company's profit and loss account on page 6, year-on-year turnover increased by 83% (2011, 348%), gross profit by 64% (2011, 358%) and operating profit by 137% (2011, 179%). This continued level of sales growth underlines the Company's focus on providing a quality care service whilst the larger increase to operating profit margins reflects a keen focus on fixed cost control during the Company's growth phase.

The outlook for FY13 is extremely positive and the Directors expect to maintain the level of business growth evidenced over the last few years.

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 and the loss of key people. The risk associated with the loss of major contracts is mitigated by having a healthy pipeline of new opportunities to replace contract losses, the absence of undue reliance on any single contract to the overall performance of the Company as well as operating a number of long-term and rolling contracts. The Company is always seeking people to join the business with the right skill set to replace the loss of key people if and when this occurs.

The Company is also exposed to financial risks which are discussed below.

Financial Risk Management

The Company utilises financial instruments coupled with a keen focus on best practise to effectively manage the financial risks associated with its underlying 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 are price, credit and liquidity risk.

Price risk

Given the nature of the business in which the Company is engaged, it bears a minimal risk of price inflation in the absence of any significant purchase obligations. The Company's leased property portfolio is small and its annual rental obligations immaterial to the performance of the Company. 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 to meet foreseeable peak borrowing requirements.

Comfort Call Limited

Report of the directors for the year ended 31 August 2012 (*continued*)

Post balance sheet events

Post balance sheet events are detailed in note 17

Charitable and political contributions

During the year the company made charitable contributions of £1,205. There were no political contributions.

Employee involvement

The company's policy is to consult and discuss with employees, through committees, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Employment of disabled persons

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 retraining 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.

Directors

The directors of the company during the year were

J M Lees (resigned 12 November 2012)

A R Lees (resigned 12 November 2012)

Miss R J Adams (resigned 12 November 2012)

M A J Harrison and C Rushton were appointed as directors on 12 November 2012.

Comfort Call Limited

Report of the directors for the year ended 31 August 2012 (*continued*)

Directors' responsibilities

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

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

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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.

Auditors

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

BDO LLP were appointed as auditors during the year and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board

M A J Harrison

Secretary



7 May 2013

Comfort Call Limited

Independent auditor's report

To the members of Comfort Call Limited

We have audited the financial statements of Comfort Call Limited for the year ended 31 August 2012 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 August 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Comfort Call Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

BDO LLP

Malcolm Thixton (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Leeds
United Kingdom

10 May 2013

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

Comfort Call Limited

Profit and loss account for the year ended 31 August 2012

	Note	2012 £	2011 £
Turnover	2	14,701,017	8,046,054
Cost of sales		<u>10,333,332</u>	<u>5,386,471</u>
Gross profit		4,367,685	2,659,583
Administrative expenses		<u>2,692,973</u>	<u>1,954,721</u>
Operating profit	3	1,674,712	704,862
Other interest receivable and similar income		<u>92</u>	<u>566</u>
Profit on ordinary activities before taxation		1,674,804	705,428
Taxation on profit on ordinary activities	6	<u>415,276</u>	<u>180,313</u>
Profit on ordinary activities after taxation		<u>1,259,528</u>	<u>525,115</u>

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

The notes on pages 9 to 16 form part of these financial statements


Comfort Call Limited

Balance sheet at 31 August 2012

<i>Company number 05763279</i>	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	8		196,484		122,754
Current assets					
Debtors	9	2,234,120		1,866,651	
Cash at bank and in hand		454,073		31,462	
		<u>2,688,193</u>		<u>1,898,113</u>	
Creditors amounts falling due within one year	10	<u>1,561,448</u>		<u>1,496,852</u>	
Net current assets			<u>1,126,745</u>		<u>401,261</u>
Total assets less current liabilities			<u>1,323,229</u>		<u>524,015</u>
Provisions for liabilities	11		<u>37,384</u>		<u>29,698</u>
			<u>1,285,845</u>		<u>494,317</u>
Capital and reserves					
Called up share capital	12		150		150
Share premium account	13		10,950		10,950
Profit and loss account	13		<u>1,274,745</u>		<u>483,217</u>
Shareholders' funds	14		<u>1,285,845</u>		<u>494,317</u>

The financial statements were approved by the board of directors and authorised for issue on

M A J Harrison
Director


7 May 2013

The notes on pages 9 to 16 form part of these financial statements

Comfort Call Limited

Cashflow statement for the year ended 31 August 2012

	Note	2012 £	2011 £
Net cash inflow from operating activities	18	1,144,140	56,794
Returns on investments and servicing of finance			
Interest received		92	566
Taxation			
Corporation tax paid		(158,067)	(47,517)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(95,554)	(120,277)
Dividends paid		(468,000)	(240,405)
Increase/(Decrease) in cash	19	<u>422,611</u>	<u>(350,839)</u>

The notes on pages 9 to 16 form part of these financial statements

Comfort Call Limited

Notes forming part of the financial statements for the year ended 31 August 2012

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

The following principal accounting policies have been applied

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax

Turnover in respect of service contracts is recognised when the company obtains the right to consideration

Depreciation

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

Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% straight line
Office equipment	- 33% straight line

Deferred taxation

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

- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

Leased assets

Operating lease annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom

3 Operating profit

	2012 £	2011 £
This is arrived at after charging		
Depreciation of tangible fixed assets	21,824	33,008
Hire of other assets - operating leases	104,772	67,511
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	9,000	7,636

Comfort Call Limited

Notes forming part of the financial statements
for the year ended 31 August 2012 (*continued*)

4 Employees

Staff costs (including directors) consist of

	2012 £	2011 £
Wages and salaries	12,298,327	6,366,389
Social security costs	617,592	353,341
	<u>12,915,919</u>	<u>6,719,730</u>

The average number of employees (including directors) during the year was 1,215 (2011 - 672)

5 Directors' remuneration

	2012 £	2011 £
Aggregate emoluments	<u>220,518</u>	<u>194,424</u>

The total amount payable to the highest paid director in respect of emoluments was £198,366

6 Taxation on profit on ordinary activities

	2012 £	2011 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	407,590	158,067
<i>Deferred tax</i>		
Origination and reversal of timing differences	<u>7,686</u>	<u>22,246</u>
Taxation on profit on ordinary activities	<u>415,276</u>	<u>180,313</u>

Comfort Call Limited

Notes forming part of the financial statements for the year ended 31 August 2012 (continued)

6 Taxation on profit on ordinary activities (continued)

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

	2012 £	2011 £
Profit on ordinary activities before tax	1,674,804	705,428
Profit on ordinary activities at the standard rate of corporation tax in the UK of 24.5% (2011 - 28.0%)	410,327	197,520
Effect of:		
Fixed Asset timing differences not recognised	(13,414)	(19,892)
Different tax rate on current tax	14,097	(5,320)
Different tax rate on deferred tax movement	(3,420)	-
Marginal relief	-	(14,241)
Current tax charge for the year	407,590	158,067

7 Dividends

	2012 £	2011 £
Ordinary shares		
Interim paid of £3,120 (2011 - £1,603) per share	468,000	240,405

Comfort Call Limited

Notes forming part of the financial statements
for the year ended 31 August 2012 (*continued*)

8 Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<i>Cost or valuation</i>				
At 1 September 2011	9,750	31,000	124,323	165,073
Additions	-	18,171	77,383	95,554
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2012	9,750	49,171	201,706	260,627
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 September 2011	813	11,175	30,331	42,319
Provided for the year	1,421	3,069	17,334	21,824
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2012	2,234	14,244	47,665	64,143
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 August 2012	7,516	34,927	154,041	196,484
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2011	8,937	19,825	93,992	122,754
	<hr/>	<hr/>	<hr/>	<hr/>

9 Debtors

	2012 £	2011 £
Trade debtors	1,496,495	1,182,207
Other debtors	17,012	61,983
Prepayments and accrued income	720,613	622,461
	<hr/>	<hr/>
	2,234,120	1,866,651
	<hr/>	<hr/>

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

Comfort Call Limited

Notes forming part of the financial statements
for the year ended 31 August 2012 (*continued*)

10 Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	71,557	42,970
Corporation tax	407,590	158,067
Other taxation and social security	135,006	130,155
Directors' loans	40,287	11,940
Other creditors	292,489	460,022
Accruals and deferred income	614,519	693,698
	<u>1,561,448</u>	<u>1,496,852</u>

11 Provisions for liabilities

	Deferred taxation £
At 1 September 2011	29,698
Charged to profit and loss account	7,686
	<u>37,384</u>
At 31 August 2012	

Deferred taxation

	2012 £	2011 £
Accelerated capital allowances	37,384	29,698
	<u>37,384</u>	<u>29,698</u>

12 Share capital

	2012 £	2011 £
<i>Allotted, called up and fully paid</i>		
50 Ordinary A shares of £1 each	50	50
50 Ordinary B shares of £1 each	50	50
50 Ordinary C shares of £1 each	50	50
	<u>150</u>	<u>150</u>

Comfort Call Limited

Notes forming part of the financial statements
for the year ended 31 August 2012 (*continued*)

13 Reserves

	Share premium account £	Profit and loss account £
At 1 September 2011	10,950	483,217
Profit for the year	-	1,259,528
Dividends	-	(468,000)
At 31 August 2012	<u>10,950</u>	<u>1,274,745</u>

14 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the year	1,259,528	525,115
Dividends	(468,000)	(240,405)
Net additions to shareholders' funds	<u>791,528</u>	<u>284,710</u>
Opening shareholders' funds	<u>494,317</u>	<u>209,607</u>
Closing shareholders' funds	<u>1,285,845</u>	<u>494,317</u>

15 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2012 £	Land and buildings 2011 £
Operating leases which expire		
Within one year	1,087	14,620
In two to five years	56,750	54,080
	<u>57,837</u>	<u>68,700</u>

Comfort Call Limited

Notes forming part of the financial statements for the year ended 31 August 2012 (*continued*)

16 Related party disclosures

Controlling parties

For the year ended 31 August 2012 the company was controlled by the directors by virtue of their joint holding of the issued share capital

The controlling party at the date of approval of these financial statements is Sovereign Capital LLP

Included within creditors is £290,880 (2011 £409,861) owed to The Fetteresso Company Limited, a company in which Miss R J Adams is a director

Dividends paid to directors of the company

	2012 £	2011 £
J M Lees	156,000	80,135
A R Lees	156,000	80,135
Miss R J Adams	156,000	80,135

17 Post balance sheet events

On 12 November 2012 the company became a wholly owned subsidiary of City and County Healthcare Group Limited

18 Reconciliation of operating profit to net cash inflow from operating activities

	2012 £	2011 £
Operating profit	1,670,016	704,862
Depreciation of tangible fixed assets	21,824	33,008
Increase in debtors	(367,469)	(1,535,420)
(Decrease)/increase in creditors	(180,231)	854,344
Net cash inflow from operating activities	1,144,140	56,794

19 Reconciliation of net cash flow to movement in net funds

	2012 £	2011 £
Increase/(decrease) in cash	422,611	(350,839)
Opening net funds	31,462	382,301
Closing net funds	454,073	31,462

Comfort Call Limited

Notes forming part of the financial statements
for the year ended 31 August 2012 (*continued*)

20 Analysis of net funds

	At 1 September 2011 £	Cash flow £	At 31 August 2012 £
Cash at bank and in hand	31,462	422,611	454,073
	<hr/>	<hr/>	<hr/>
Total	31,462	422,611	454,073
	<hr/>	<hr/>	<hr/>