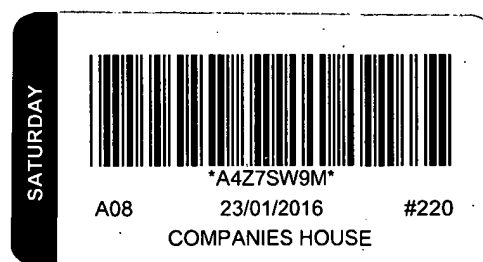


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Registered number: 06099679

Agincare UK Limited

Directors' Report and Financial Statements
for the period from 26 July 2014 to 24 July 2015



Agincare UK Limited

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Agincare UK Limited

Company Information

Directors

Mr D E Luckhurst
Mrs R M Taylor-Summerson
Ms S L Leskinen-Keel
Mr O Griffiths (appointed 1 April 2015)

Registered number

06099679

Registered office

Agincare House
Admiralty Buildings
Castletown
Portland
Dorset
DT5 1BB

Independent auditors

Inspire Audit Ltd
Statutory Auditors
37 Commercial Road
Poole
Dorset
BH14 0HU

Agincare UK Limited

Strategic Report For the period ended 24 July 2015

Fair review of the business

The principal activity of the company was the provision of domiciliary care to Local Authorities, Primary Care Trusts/CCGs and private individuals.

The business environment continued to deteriorate during the year. Local Authorities, having seen their social care budgets consistently reduced over the last few years, are unable to pay economic fees. At the same time as we see pressure on sales, costs and in particular payroll burdens have been increasing faster than sales.

The Agincare Group Board was disappointed that while sales saw a 26% growth the reported net profit fell. Sector pressures attributed for much of this disappointment but two large contracts in Nottinghamshire and Hampshire failed to enhance the results in the year. The Nottinghamshire contract has required more investment than anticipated and has only become profitable in the last few periods of the year, and Hampshire was a contract awarded late in the year and will only become profitable in subsequent years. Furthermore a profitable element of the Nottinghamshire contract was reported in the Priority Homecare Limited accounts, a business which closed halfway through the year.

The cuisine service was run down during the year, with only two locations offering meal delivery by the end of the year.

Agincare continues to look to broadening its offering to the industry, and prides itself in being at the forefront of service innovation. We work closely with commissioners tailoring our offering to ensure that the best value for money is achieved for the public purse.

The aging population is making and will continue to make increasing demands of the care sector. Agincare with its sister companies offer an almost unique pathway of care in the sector. The differentiation of Agincare as a long term provider of multi-skilled delivery along the pathway with high standards of compliancy, at reasonable cost is of paramount importance. The future is, even in these challenging conditions, broadly positive.

Principal risks and uncertainties

The single over riding risk the business and indeed the whole sector faces is the accelerating payroll burden with the national minimum wage (NMW) increase in October 2015 and the national living wage (NLW) increase in April 2016, but with no clarity from central government of how this will be funded.

The outcome of the autumn spending review, which allocates public money to social care budgets, will have major consequences for the whole sector. If resources are allocated to fund the Local Authorities in full, we will see a continuation of our previously published strategy of consolidating and underpinning our presence across the South, and with continuous critical review of type, scope and cost of service delivery. If resources are not made available, then Agincare will look very closely at the long term viability of all its contracts, which could see our exit from certain geographic areas.

The company has not seen any easing in the pressures on recruitment and retention, common across the whole sector. Agincare pays above the national minimum wage, and endeavours to offer a living wage and contracted hours where the local contract conditions permit. While pay increases for NMW and NLW will lift levels of pay of our employees, other sectors competing for these workers are seeing increases too, so workforce recruitment and retention is not expected to get easier. During the year the company has taken further steps to guarantee employees contracted hours.

Future developments

While wary of risks stated above, Agincare UK Limited will continue with the current strategy of consolidating its presence across the South, whilst our long term vision remains to have a national presence but pricing pressures in the North may preclude this move in the short term.

We will continue to identify and pursue appropriate opportunities that present themselves in the sector. We continually review our current workload in light of changing demographics, social and health care demands and will address the commercial issues threatening the sustainability of geographical operations. Further diversification of service provision and partnerships with others will also be pursued.

We will capitalise on our excellent range of service provision, accepting the increased limitations of the traditional core business and with a priority of continuing to protect it, maintain as much of the presence as possible and have another year ahead in which efforts can be more about positive, safe growth from a stable and responsive platform.

Employee involvement

The Group's policy is to consult and discuss with employees (through formal and informal meetings, regular contact and Group publications) matters likely to affect employees' interests. Information on matters of interest and possible concern to employees is given through bulletins which seek to achieve common awareness on the part of all employees of factors affecting the Group and their roles.


Agincare UK Limited

**Strategic Report (continued)
For the period ended 24 July 2015**

Disabled employees

Applications for employment by disabled persons are always fully considered bearing in mind the aptitude of the applicant concerned and the physical nature of the care service delivered to the client. Where appropriate, all necessary assistance is given with initial training and once employed a career plan is developed so as to ensure suitable opportunities for each individual.

This report was approved by the board and signed on its behalf.


.....

Mrs R M Taylor-Summerson
Director

Date: 24.12.2015

Agincare UK Limited

Directors' Report For the period ended 24 July 2015

The directors present their report and the audited financial statements for the period ended 24 July 2015.

Principal activities

The principal activity of the company is supplying domiciliary, personal care and other associated support activities to individuals in their own homes.

Dividends

Dividends totalling £400,000 were distributed in respect of the financial period of 24 July 2015.

Directors

The directors who served during the period were:

Mr D E Luckhurst
Mrs R M Taylor-Summerson
Ms S L Leskinen-Keel
Mr O Griffiths (appointed 1 April 2015)

Strategic report

In accordance with s.414C(11) of the Companies Act 2006, items required under schedule 7 are included within the company's strategic report on pages 2 and 3.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Agincare UK Limited

**Directors' Report
For the period ended 24 July 2015**

Auditors

The auditors, Inspire Audit Ltd, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


.....
Mrs R M Taylor-Summerson
Director

Date: 24.12.2015

**Directors' Responsibilities Statement
For the period ended 24 July 2015**

The directors are responsible for preparing the Strategic Report, 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 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 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 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.

Agincare UK Limited

Independent Auditors' Report to the Shareholders of Agincare UK Limited

We have audited the financial statements of Agincare UK Limited for the period ended 24 July 2015, set out on pages 9 to 21. 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 Auditors' 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 Directors' Responsibilities Statement, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 24 July 2015 and of its profit for the period 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 Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Agincare UK Limited

Independent Auditors' Report to the Shareholders of Agincare UK Limited

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.

Inspire Audit Ltd

Mr Andrew John Singleton FCCA (Senior Statutory Auditor)
for and on behalf of

Inspire Audit Ltd
Statutory Auditors
37 Commercial Road
Poole
Dorset
BH14 0HU

Date: 11/1/16

Agincare UK Limited

Profit and Loss Account For the period ended 24 July 2015

		26 July 2014 to 24 July 2015 £	27 July 2013 to 25 July 2014 £
	Note		
Turnover	1	21,484,450	17,030,801
Cost of sales		(14,941,676)	(11,403,573)
Gross profit		6,542,774	5,627,228
Administrative expenses		(6,297,663)	(4,889,405)
Other operating income		-	295,000
Operating profit	2	245,111	1,032,823
Interest receivable and similar income	5	657	1
Interest payable and similar charges	6	(1,841)	(157)
Profit on ordinary activities before taxation		243,927	1,032,667
Tax on profit on ordinary activities	7	(90,616)	(269,453)
Profit for the financial period	17	153,311	763,214

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and Loss Account.

The notes on pages 11 to 21 form part of these financial statements.

Balance Sheet
As at 24 July 2015

		24 July 2015		25 July 2014	
	Note	£	£	£	£
Fixed assets					
Intangible assets	8		2,683,334		2,906,945
Tangible assets	9		220,680		172,785
Investments	10		221,376		258,273
			<u>3,125,390</u>		<u>3,338,003</u>
Current assets					
Stocks	11	4,818		7,722	
Debtors	12	3,514,293		2,707,712	
Cash at bank and in hand		59,372		47,493	
		<u>3,578,483</u>		<u>2,762,927</u>	
Creditors: amounts falling due within one year	13	(2,307,412)		(1,465,337)	
Net current assets			<u>1,271,071</u>		<u>1,297,590</u>
Total assets less current liabilities			<u>4,396,461</u>		<u>4,635,593</u>
Provisions for liabilities					
Deferred tax	14		(7,557)		-
Net assets			<u>4,388,904</u>		<u>4,635,593</u>
Capital and reserves					
Called up share capital	15		4,350,000		4,350,000
Profit and loss account	17		38,904		285,593
Shareholders' funds	18		<u>4,388,904</u>		<u>4,635,593</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
Mrs R M Taylor-Summerson
Director

Date: 24.12.2015

The notes on pages 11 to 21 form part of these financial statements.

**Notes to the Financial Statements
For the period ended 24 July 2015**

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights held within the group.

1.2 Exemption from preparing group accounts

The company has taken exemption from preparing group accounts as it is included in consolidated accounts for a larger group, Agincare Group Limited, which are drawn up as full consolidated audited accounts which are filed at Companies House.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the period, exclusive of value added tax and trade discounts.

1.4 Goodwill

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

1.5 Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Goodwill	Over 18 years on a straight line basis
----------	--

1.6 Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	Straight line over the life of the lease
Motor vehicles	-	25% reducing balance basis
Fixtures and fittings	-	15% straight line basis
Computer equipment	-	25% straight line basis

1.7 Fixed asset investments

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

1.8 Stock

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Notes to the Financial Statements
For the period ended 24 July 2015

1. Accounting Policies (continued)

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Deferred tax assets and liabilities are not discounted.

1.10 Operating leases

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

1.11 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

1.12 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

2. Operating profit

The operating profit is stated after charging:

	26 July 2014 to 24 July 2015 £	27 July 2013 to 25 July 2014 £
Amortisation - intangible fixed assets	223,611	223,611
Depreciation of tangible fixed assets:		
- owned by the company	67,693	58,324
Auditors' remuneration	6,600	6,600
Operating lease rentals:		
- other operating leases	239,998	186,086
	<hr/>	<hr/>

**Notes to the Financial Statements
For the period ended 24 July 2015**

3. Particulars of employees

Staff costs, including directors' remuneration, were as follows:

	26 July 2014 to 24 July 2015 £	27 July 2013 to 25 July 2014 £
Wages and salaries	16,379,961	12,706,726
Social security costs	922,663	722,682
Other pension costs	72,345	34,948
	<u>17,374,969</u>	<u>13,464,356</u>

The average monthly number of employees, including the directors, during the period was as follows:

	26 July 2014 to 24 July 2015 No.	27 July 2013 to 25 July 2014 No.
	<u>1,394</u>	<u>1,081</u>

4. Directors' remuneration

	26 July 2014 to 24 July 2015 £	27 July 2013 to 25 July 2014 £
Remuneration	<u>113,416</u>	<u>166,374</u>
Company pension contributions to defined contribution pension schemes	<u>288</u>	<u>326</u>

During the period retirement benefits were accruing to 1 director (2014 - 1) in respect of defined contribution pension schemes.

The directors' remuneration is paid through Agincare Group Limited and recharged to Agincare UK Limited via a management charge.

Included in the above directors' remuneration is £60,417 (2014 - £50,282) in respect of remuneration relating to a director of Agincare Cuisine Limited, however he is not a director in Agincare UK Limited.

5. Interest receivable

	26 July 2014 to 24 July 2015 £	27 July 2013 to 25 July 2014 £
Other interest receivable	<u>657</u>	<u>1</u>

**Notes to the Financial Statements
For the period ended 24 July 2015**

6. Interest payable

	26 July 2014 to 24 July 2015 £	27 July 2013 to 25 July 2014 £
Other interest payable	1,841	157

7. Taxation

	26 July 2014 to 24 July 2015 £	27 July 2013 to 25 July 2014 £
Analysis of tax charge in the period		
Current tax (see note below)		
UK corporation tax charge on profit for the period	83,059	270,538
Adjustments in respect of prior periods	-	(844)
Total current tax	83,059	269,694
Deferred tax (see note 14)		
Origination and reversal of timing differences	7,557	(241)
Tax on profit on ordinary activities	90,616	269,453

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20% (2014 - 21%). The differences are explained below:

	26 July 2014 to 24 July 2015 £	27 July 2013 to 25 July 2014 £
Profit on ordinary activities before tax	243,927	1,032,667
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 21%)	48,785	216,860
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	44,722	46,958
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,154	4,250
Capital allowances for period in excess of depreciation	6,907	(14,015)
Utilisation of tax losses	(25,823)	-
Adjustments to tax charge in respect of prior periods	-	(844)
Other differences leading to an increase (decrease) in the tax charge	4,314	16,485
Current tax charge for the period (see note above)	83,059	269,694

**Notes to the Financial Statements
For the period ended 24 July 2015**

8. Intangible fixed assets

	Goodwill £
Cost	
At 26 July 2014 and 24 July 2015	4,025,000
Amortisation	
At 26 July 2014	1,118,055
Charge for the period	223,611
At 24 July 2015	1,341,666
Net book value	
At 24 July 2015	2,683,334
At 25 July 2014	2,906,945

9. Tangible fixed assets

	Leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 26 July 2014	47,720	37,499	28,710	243,999	357,928
Additions	-	8,929	12,754	99,377	121,060
Disposals	-	(7,246)	-	-	(7,246)
At 24 July 2015	47,720	39,182	41,464	343,376	471,742
Depreciation					
At 26 July 2014	14,641	9,375	25,716	135,411	185,143
Charge for the period	2,169	7,408	1,945	56,171	67,693
On disposals	-	(1,774)	-	-	(1,774)
At 24 July 2015	16,810	15,009	27,661	191,582	251,062
Net book value					
At 24 July 2015	30,910	24,173	13,803	151,794	220,680
At 25 July 2014	33,079	28,124	2,994	108,588	172,785

Agincare UK Limited

Notes to the Financial Statements For the period ended 24 July 2015

10. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 26 July 2014	258,273
Disposals	(100)
Restatement	(36,797)
	<hr/>
At 24 July 2015	221,376
	<hr/>
Net book value	
At 24 July 2015	221,376
	<hr/>
At 25 July 2014	258,273
	<hr/>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Agincare UK Leominster Limited	Ordinary	100 %
Priority Homecare Limited	Ordinary	100 %

Agincare UK Leominster Limited was dissolved on 29 July 2014.

11. Stocks

	24 July 2015 £	25 July 2014 £
Stocks	4,818	7,722
	<hr/>	<hr/>

12. Debtors

	24 July 2015 £	25 July 2014 £
Due after more than one year		
Amounts owed by group undertakings	-	335,980
Due within one year		
Trade debtors	1,451,259	838,174
Amounts owed by group undertakings	122,008	-
Other debtors	398,353	83,551
Prepayments and accrued income	1,542,673	1,450,007
	<hr/>	<hr/>
	3,514,293	2,707,712
	<hr/>	<hr/>

Agincare UK Limited

Notes to the Financial Statements For the period ended 24 July 2015

13. Creditors: Amounts falling due within one year

	24 July 2015 £	25 July 2014 £
Trade creditors	455,085	317,980
Amounts owed to group undertakings	326,576	72,251
Corporation tax	15,959	145,289
Other taxation and social security	184,098	133,033
Other creditors	411,263	105,528
Accruals and deferred income	914,431	691,256
	<u>2,307,412</u>	<u>1,465,337</u>

14. Deferred taxation

	24 July 2015 £	25 July 2014 £
At beginning of period	-	-
Charge for period (P&L)	7,557	-
	<u>7,557</u>	<u>-</u>
At end of period		

The provision for deferred taxation is made up as follows:

	24 July 2015 £	25 July 2014 £
Accelerated capital allowances	<u>7,557</u>	<u>-</u>

15. Share capital

	24 July 2015 £	25 July 2014 £
Allotted, called up and fully paid		
4,350,000 Ordinary shares of £1 each	<u>4,350,000</u>	<u>4,350,000</u>

16. Dividends

	26 July 2014 to 24 July 2015 £	27 July 2013 to 25 July 2014 £
Dividends paid on equity capital	<u>400,000</u>	<u>1,940,000</u>

**Notes to the Financial Statements
For the period ended 24 July 2015**

17. Reserves

	Profit and loss account £
At 26 July 2014	285,593
Profit for the financial period	153,311
Dividends: Equity capital	(400,000)
	<hr/>
At 24 July 2015	38,904
	<hr/>

18. Reconciliation of movement in shareholders' funds

	24 July 2015 £	25 July 2014 £
Opening shareholders' funds	4,635,593	5,812,379
Profit for the financial period	153,311	763,214
Dividends (Note 16)	(400,000)	(1,940,000)
	<hr/>	<hr/>
Closing shareholders' funds	4,388,904	4,635,593
	<hr/>	<hr/>

19. Pension schemes

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £72,345 (2014 - £34,948).

Contributions totalling £10,075 (2014 - £6,990) were payable to the fund at the balance sheet date and are included in creditors.

20. Operating lease commitments

At 24 July 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 24 July 2015 £	25 July 2014 £
Expiry date:		
Within 1 year	59,875	12,715
Between 2 and 5 years	69,865	71,378
After more than 5 years	28,750	28,750
	<hr/>	<hr/>
	158,490	112,843
	<hr/>	<hr/>

Included in the above commitments is £9,775 (2014 - £nil) expiring in under one year and £10,500 (2014 - £10,500), expiring within two and five years, which are in the names of Agincare Limited, a fellow subsidiary. Also included in the above commitments is £nil (2014 - £3,488), expiring within two and five years, which is in the name of Agincare Cuisine Limited and £nil (2014 - £22,250), expiring in over five years, in the name of the company's parent, Agincare Group Limited.

**Notes to the Financial Statements
For the period ended 24 July 2015**

21. Contingent liabilities

Agincare UK Limited has appointed assets to an Employee Benefit Trust (EBT) which is consistent with other companies that have used EBT's as part of tax effective remuneration planning. HM Revenue & Customs opened up an enquiry as well as issuing protective determinations. The result of these actions may not be known in the near future, however proposals were announced in the 2014 Budget and subsequently became law on 17 July 2014. This retrospectively gave HM Revenue & Customs the power to demand the payment of the tax under enquiry prior to the matter being concluded.

If HM Revenue & Customs use this power it is estimated that the company would be required to pay £600,324 to HM Revenue & Customs whilst the enquiry into the tax disputed is ongoing. The company is firmly of the view that this additional tax is not due and will continue to argue their case and believe that any payments required to be made under the new legislation would be returned in full to the company once the enquiry has been satisfactorily brought to a conclusion.

At the date of signing the accounts HM Revenue & Customs had issued the company with a notice to make an advanced payment and as such the company has recognised this as a liability/asset (as the company has received legal advice stating that the tax is not due under the enquiry) of £374,831 as at the balance sheet date.

Therefore £225,493 remains a contingent liability at the balance sheet date.

**Notes to the Financial Statements
For the period ended 24 July 2015**

22. Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

Other related party transactions

During the period the company made the following related party transactions:

Mr D E Luckhurst

(Director)

During the period a total of £nil (2014 - £734,564) was advanced to, and a total of £nil (2014 - £nil) was repaid by Mr D E Luckhurst in respect of his director's current account. The balance of £414,362 was transferred into Agincare Group Limited during the previous year. At the balance sheet date the amount due to Mr D E Luckhurst was £nil (2014 - £nil).

Agincourt Care Home Limited

(Under common control)

During the period, the company made sales to Agincourt Care Home Limited of £570 (2014 - £nil). At the balance sheet date the amount due to Agincourt Care Home Limited was £nil (2014 - £nil).

Chalgrove Care Home Limited

(Under common control)

During the period, the company made sales to Chalgrove Care Home Limited of £1,750 (2014 - £423). At the balance sheet date the amount due to Chalgrove Care Home Limited was £nil (2014 - £nil).

Edgehill Care Home Limited

(Under common control)

During the period, the company made sales to Edgehill Care Home Limited of £348 (2014 - £nil). At the balance sheet date the amount due to Edgehill Care Home Limited was £nil (2014 - £nil).

Naseby Care Home Limited

(Under common control)

During the period, the company made sales to Naseby Care Home Limited of £14,795 (2014 - £6,683). At the balance sheet date the amount due to Naseby Care Home Limited was £nil (2014 - £nil).

Rochester Care Home Limited

(Director in common)

During the year the company made sales to Rochester Care Home of £nil (2014 - £144). At the balance sheet date the amount due to Rochester Care Home Limited was £nil (2014 - £nil).

Southern Electronic Services Limited

(A member of key management within Agincare UK Limited, Mr I Foggon, is also a director and shareholder of Southern Electronic Services Limited)

During the period, the company made purchases of £75,154 (2014 - £137,282) from Southern Electronic Services Limited. At the balance sheet date the amount due to Southern Electronic Services Limited was £11,870 (2014 - £18,885).

Victory Care Home Limited

(Under common control)

During the period, the company made purchases from Victory Care Home Limited of £7,500 (2014 - £nil). At the balance sheet date the amount due to Victory Care Home Limited was £nil (2014 - £nil).

**Notes to the Financial Statements
For the period ended 24 July 2015**

23. Ultimate parent undertaking and controlling party

The company is controlled by Agincare Group Limited by virtue of its 100% holding in the company's issued share capital. The ultimate controlling party is Mr D E Luckhurst by virtue of his majority shareholding in the ultimate parent company Agincare Group Limited.

Consolidated financial statements are prepared by the ultimate parent company and copies are available at Companies House.

24. Accounting reference date

The company's accounting reference date is 31 July. As permitted by Section 390 of the Companies Act 2006, the company has prepared accounts to 24 July 2015 (2014 - 25 July) reflecting its use of 13 accounting periods.