Registered number: 06182736

AGINCARE GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 5 AUGUST 2016

AGINCARE GROUP LIMITED

COMPANY INFORMATION

Directors	O D Griffiths D E Luckhurst R M Taylor-Summerson S L Leskinen-Keel (appointed 22 March 2016)
Company secretary	O D Griffiths
Registered number	06182736
Registered office	Agincare House Admirality Buildings Castletown Portland Dorset DT5 1BB
Independent auditors	Donald Reid Limited Chartered Accountants & Statutory Auditors Prince Albert House 20 King Street Maidenhead Berkshire SL6 1DT
Accountants	CB Reid Limited Wadebridge House 16 Wadebridge Square Poundbury Dorchester Dorset DT1 3AQ

AGINCARE GROUP LIMITED

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GROUP STRATEGIC REPORT
FOR THE PERIOD ENDED 5 AUGUST 2016

Introduction

The directors present their group strategic report for the period ended 5 August 2016.

Business review

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

The Directors report that Agincare Group, the 'domiciliary care' group, ended its financial period on 5 August 2016 and was a 54 week period. Sales of £33.4m showed 19% growth and operating profit (before exceptional adjustments) grew 37% respectively over the previous year. While these results represent an improvement year on year, a 3.5% return on sales is not sustainable in the long term when considering the increasing risks facing the sector, rising costs and increasing complexity.

Agincare Group saw turnover increase across all its subsidiary businesses during this period. Part of the growth was due to the increased delivery of hours of care, packages of live-in care and labour hours. An element of the increase was achieved through price increases necessitated as a result of the introduction of the National Living Wage (NLW) on top of the National Minimum Wage increase earlier in the period. Without having achieved these increases the business would have become unsustainable.

Agincare UK ensured that two of our largest contracts had necessary remedial action to improve their position after their operations becoming a drain across the business. We do now believe we are in a position to further grow and develop. The remaining core business contracts generally performed to expectation, though price increases did not always coincide with the introduction of the NLW in April and delays in funding these increased costs by the commissioners caused some concerns.

Agincare Live-in Care business suffered the same difficult conditions of wage cost pressure and uncertainty caused by unclear guidance and approach for the sector. Nurses Now had a quiet year with few nurses and carers placed. Finally, the Staff Now business performed reasonably well, although the difficulty in attracting adequate supply of staff to meet demand resonates across all four businesses.

Existing contracts coming to an end were largely retained or extended, though with varying commercial contracts and trading terms. There was an increase in the numbers of contracts Agincare actively chose to not bid for, due to high risk terms and/or poor fee rates. Compliance and operational stability continued to improve. This provided a solid foundation from which a more effective and efficient increase in business can be pursued going forward.

The Board constantly reviews and moderates operations to adapt to the dynamic market conditions and to ensure risks are known and mitigated for all enterprises. Potential growth was impacted by the decisions to not bid on contracts with low rates, which particularly restricted growth into the Midlands and North.

Principal risks and uncertainties

The Group continues to trade in areas of growth, both in terms of demographics and growing markets, but within an increasingly competitive sector and with the constant demands of rising costs, diminishing rates from local authority, less secure contractual terms and a more dispersed customer base. Complex needs of those requiring our services creates higher costs and risks.

Close focus remains on debtor control, ICT systems, charge rates, costing models and pay rates and general staffing issues. Adapting to changing market conditions yet retaining the 'heart and soul' benefits, of what is essentially a family owned business, remains key.

There will be continued focus on longer term viability and sustainability of business in parallel to our planned growth and development of service provision. We remain confident in our market knowledge and ability, which has always enabled us to move quickly to consolidate and adapt existing service provision where necessary, whilst still seeking new opportunities.

Disappointingly the autumn spending review did not mention the funding of social care and subsequent announcements give us little confidence for the future. If resources are allocated to more adequately fund social care, we will see a continuation of our previously published strategy of consolidating and underpinning our presence across the South, albeit with continuous critical review of type, scope and cost of service delivery. In the current climate, Agincare will regularly review the long term viability of all its contracts, which could see our exit from certain geographic areas or service provision.

The company has not seen any easing in the pressures on recruitment and retention which is common across the whole sector. Some of the workforce from the EU may be lost within the next two years as a result of Brexit. While pay increases for NLW will lift levels of pay of our employees, other industries competing for these workers are seeing increases too, so coupled with the increased demands of the roles, recruitment and retention remains challenging. During the year the Group has taken further steps to guarantee employees contracted hours and work on employee engagement and development strategies. The Agincare Health and Social Care Academy is an example of this.

Competitor analysis and activity continues to form part of our review and planning process, as well as our active involvement in local and central government influencing, often alongside fellow providers and our professional association.

The Directors remain concerned that Central Government continues not to understand the resourcing requirements of the social care sector and money better focussed in social care is being misallocated to the health care budget. An ongoing area of major concern is the lack of integration. The ramifications of actions taken in one department are not risk assessed in relation to the effects of those actions, leading to uncertainty across the whole sector from commissioners, providers, carers, unions, HMRC and clients. This represents a high risk environment for any trading concern.

Financial risk

The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors, loans to the business and finance lease agreements. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in a way that achieves a competitive rate of interest.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 5 AUGUST 2016

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts as they become due.

The business manages the liquidity risk by ensuring that there are sufficient funds to meet the repayments.

Financial key performance indicators

The Directors constantly monitor the KPIs at subsidiary level being primarily hours, packages and unit price. At consolidated group level these are turnover, gross profit, net profit and cash generation.

This report was approved by the board on 14 February 2017 and signed on its behalf.

D E Luckhurst.

D E Luckhurst
Director

DIRECTORS' REPORT
FOR THE PERIOD ENDED 5 AUGUST 2016

The directors present their report and the financial statements for the period ended 5 August 2016.

Directors

The directors who served during the period were:

O D Griffiths
D E Luckhurst
R M Taylor-Summerson
S L Leskinen-Keel (appointed 22 March 2016)

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the period, after taxation, amounted to £932,674 *(2015: loss £2,261,842)*.

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 5 AUGUST 2016

Future developments

The Agincare group will continue with its strategy of geographical growth, service growth and diversification. However, this will remain subject to the sustainability of all work undertaken.

We will 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, away from public sector areas, will also be pursued. Opportunities to absorb additional hours on our current infrastructure continue to be attractive as others exit the market for various reasons.

Our scope and range of experience and service provision, not only across Agincare Group, but in related companies, leads us to remain confident about our future business despite the unprecedented demographic, economic and social challenges which continue to impact.

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.

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.

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 the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the 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 and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, Donald Reid Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 5 AUGUST 2016

This report was approved by the board on 14 February 2017 and signed on its behalf.

D E Luckhurst
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AGINCARE GROUP LIMITED

We have audited the financial statements of Agincare Group Limited for the period ended 5 August 2016, set out on pages 9 to 44. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 on page 4, 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 Financial Reporting Council'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 Group's and the parent 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 Group 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 Group's and the parent Company's affairs as at 5 August 2016 and of the Group's profit or loss 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 Group strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with those financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AGINCARE GROUP LIMITED (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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

Daniel Reid

Daniel Reid FCA (Senior statutory auditor)

for and on behalf of
Donald Reid Limited

Chartered Accountants
Statutory Auditors

Prince Albert House
20 King Street
Maidenhead
Berkshire
SL6 1DT

14 February 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 5 AUGUST 2016

	Note	Period from 25 July 2015 to 5 August 2016 £	*Period from 26 July 2014 to 24 July 2015 £*
Turnover	5	**33,447,066**	*28,141,234*
Cost of sales		**(24,911,692)**	*(20,899,149)*
Gross profit		**8,535,374**	*7,242,085*
Administrative expenses		**(7,363,201)**	*(6,384,573)*
Exceptional administrative expenses		**-**	*(2,927,740)*
Operating profit/(loss)	6	**1,172,173**	*(2,070,228)*
Interest receivable and similar income	10	**114**	*747*
Interest payable and expenses	11	**(74)**	*(2,473)*
Profit/(loss) before taxation		**1,172,213**	*(2,071,954)*
Tax on profit/(loss)	12	**(239,539)**	*(189,888)*
Profit/(loss) for the period		**932,674**	*(2,261,842)*
Owners of the parent Company		**932,674**	*(2,261,842)*
		932,674	*(2,261,842)*

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 19 to 44 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 5 AUGUST 2016

	Note		5 August 2016 £		24 July 2015 £
Fixed assets					
Intangible assets	15		**76,121**		*89,557*
Tangible assets	17		**1,211,423**		*1,265,327*
			1,287,544		*1,354,884*
Current assets					
Stocks	19	**1,580**		*4,818*	
Debtors: amounts falling due within one year	20	**5,175,040**		*4,287,424*	
Cash at bank and in hand	21	**498,785**		*194,684*	
		5,675,405		*4,486,926*	
Creditors: amounts falling due within one year	22	**(2,924,592)**		*(2,800,083)*	
Net current assets			**2,750,813**		*1,686,843*
Total assets less current liabilities			**4,038,357**		*3,041,727*
Creditors: amounts falling due after more than one year	23		**(46,854)**		-
Provisions for liabilities					
Deferred taxation	25	**(26,747)**		*(9,745)*	
			(26,747)		*(9,745)*
Net assets excluding pension asset			**3,964,756**		*3,031,982*
Net assets			**3,964,756**		*3,031,982*
Capital and reserves					
Called up share capital	26		**10,409**		*10,309*
Merger reserve	27		**14,998**		*14,998*
Profit and loss account	27		**3,939,349**		*3,006,675*
Equity attributable to owners of the parent Company			**3,964,756**		*3,031,982*
			3,964,756		*3,031,982*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 February 2017.

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 5 AUGUST 2016

D E Luckhurst
Director

R M Taylor-Summerson
Director

The notes on pages 19 to 44 form part of these financial statements.

COMPANY BALANCE SHEET
AS AT 5 AUGUST 2016

	Note		5 August 2016 £		24 July 2015 £
Fixed assets					
Tangible assets	17		**1,005,483**		*1,027,568*
Investments	18		**5,760,400**		*5,760,100*
			6,765,883		*6,787,668*
Current assets					
Stocks	19	**1,255**		-	
Debtors: amounts falling due within one year	20	**842,833**		*146,017*	
Cash at bank and in hand	21	**8,558**		*17,517*	
		852,646		*163,534*	
Creditors: amounts falling due within one year	22	**(1,338,134)**		*(745,420)*	
Net current liabilities			**(485,488)**		*(581,886)*
Total assets less current liabilities			**6,280,395**		*6,205,782*
Provisions for liabilities					
Deferred taxation	25	**(26,876)**		-	
			(26,876)		-
Net assets excluding pension asset			**6,253,519**		*6,205,782*
Net assets			**6,253,519**		*6,205,782*
Capital and reserves					
Called up share capital	26		**10,409**		*10,309*
Merger reserve	27		**5,990,000**		*5,990,000*
Profit and loss account	27		**253,110**		*205,473*
			6,253,519		*6,205,782*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 February 2017.

D E Luckhurst

D E Luckhurst
Director

R M Taylor-Summerson
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 5 AUGUST 2016

	Called up share capital	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 25 July 2015	10,309	14,998	3,006,675	3,031,982	3,031,982
Comprehensive income for the period					
Profit for the period	-	-	932,674	932,674	932,674
Total comprehensive income for the period	-	-	932,674	932,674	932,674
Shares issued during the period	100	-	-	100	100
At 5 August 2016	10,409	14,998	3,939,349	3,964,756	3,964,756

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 24 JULY 2015

	Called up share capital	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 July 2014	**10,309**	**14,998**	**5,278,517**	**5,303,824**	**5,303,824**
Comprehensive income for the period					
Loss for the period	-	-	(2,261,842)	(2,261,842)	(2,261,842)
Total comprehensive income for the period	-	-	(2,261,842)	(2,261,842)	(2,261,842)
Dividends: Equity capital	-	-	(10,000)	(10,000)	(10,000)
Total transactions with owners	-	-	(10,000)	(10,000)	(10,000)
At 24 July 2015	**10,309**	**14,998**	**3,006,675**	**3,031,982**	**3,031,982**

The notes on pages 19 to 44 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 5 AUGUST 2016

	Called up share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
At 25 July 2015	10,309	5,990,000	205,473	6,205,782
Comprehensive income for the period				
Profit for the period	-	-	47,637	47,637
Total comprehensive income for the period	-	-	47,637	47,637
Contributions by and distributions to owners				
Shares issued during the period	100	-	-	100
At 5 August 2016	10,409	5,990,000	253,110	6,253,519

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 24 JULY 2015

	Called up share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2014	10,309	5,990,000	2,553,669	8,553,978
Comprehensive income for the period				
Loss for the period	-	-	(2,338,196)	(2,338,196)
Total comprehensive income for the period	-	-	(2,338,196)	(2,338,196)
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(10,000)	(10,000)
Total transactions with owners	-	-	(10,000)	(10,000)
At 24 July 2015	10,309	5,990,000	205,473	6,205,782

The notes on pages 19 to 44 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 5 AUGUST 2016

	5 August 2016 £	24 July 2015 £
Cash flows from operating activities		
Profit/(loss) for the financial period	**932,674**	*(2,261,842)*
Adjustments for:		
Amortisation of intangible assets	**13,436**	*11,391*
Depreciation of tangible assets	**301,483**	*204,582*
Loss on disposal of tangible assets	**(4,940)**	*(1,078)*
Interest paid	**74**	*2,473*
Interest received	**(114)**	*(747)*
Taxation	**239,539**	*189,888*
Decrease in stocks	**3,237**	*8,835*
(Increase)/decrease in debtors	**(896,196)**	*2,259,714*
Decrease in amounts owed by participating interests	**(135)**	-
Increase in creditors	**102,297**	*617,077*
Increase in provisions	-	*(147,500)*
Corporation tax	**(144,655)**	*(328,484)*
Net cash generated from operating activities	**546,700**	*554,309*
Cash flows from investing activities		
Restatement of intangible assets	-	*36,797*
Purchase of tangible fixed assets	**(256,265)**	*(627,450)*
Sale of tangible fixed assets	**13,626**	*48,385*
Interest received	**114**	*747*
Net cash from investing activities	**(242,525)**	*(541,521)*

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 5 AUGUST 2016

	5 August 2016 £	*24 July 2015 £*
Cash flows from financing activities		
Dividends paid	-	*(10,000)*
Interest paid	**(74)**	*(2,473)*
Net cash used in financing activities	**(74)**	*(12,473)*
Net increase in cash and cash equivalents	**304,101**	*315*
Cash and cash equivalents at beginning of period	**194,684**	*194,369*
Cash and cash equivalents at the end of period	**498,785**	*194,684*
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	**498,785**	*194,684*
	498,785	*194,684*

The notes on pages 19 to 44 form part of these financial statements.

1. General information

Agincare Group Limited is a limited company incorporated in England and Wales. The company's registered office is Agincare House, Admiralty Buildings, Castletown, Portland, Dorset, DT5 1BB. The principal activity of Agincare Group Limited is that of a holding company of its subsidiary entities, whose principal activity is that of the provision of care services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 33.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 24 July 2014.

2.3 Going concern

After reviewing the company's forecasts and projections, 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 consolidated financial statements.

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2. Accounting policies (continued)

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and loss account over its useful economic life.

The group establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal and regulatory or contractual provisions that can limit useful life, and assumptions that market participants would consider in respect of similar businesses.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are initially recognised at cost. After recognition, under the revaluation model, intangible assets shall be carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated amortisation and subsequent impairment losses - provided that the fair value can be determined by reference to an active market.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the balance sheet date.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	3, 18 and 20 years straight line

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. 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.

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method and reducing balance method.

Depreciation is provided on the following basis:

Long-term leasehold property	-		over the length of the lease
Short-term leasehold property	-		over the length of the lease
Motor vehicles	-	25%	reducing balance
Fixtures and fittings	-	15%	straight line
Office equipment	-	15%	straight line
Computer equipment	-	25%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or 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 in the Consolidated statement of comprehensive income.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2. Accounting policies (continued)

2.11 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Profit and loss account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.13 Finance costs

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.15 Operating leases: the Group as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 26 July 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.16 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2. Accounting policies (continued)

2.17 Employee benefit trusts

The company has established trusts for the benefits of employees and certain of their dependants. Monies held in these trusts are held by independent trustees and managed at their discretion.

Where the company retains future economic benefits from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

2.18 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2. Accounting policies (continued)

2.20 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 and 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 balance sheet date in the countries where the Company and the Group operate and generate income.

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 it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 balance sheet date.

2.21 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Depreciation and amortisation costs were areas which required judgement. The applicable accounting policies detailing these areas are shown in the notes above. Specifically the main areas where judgements have been implied are the useful life of both tangible and intangible assets.

4. 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 5 August 2016 *(2015: 24 July)* reflecting its use of thirteen accounting periods.

5. Turnover

The whole of the turnover is attributable to the provision of care services.

All turnover arose within the United Kingdom.

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	Period from 25 July 2015 to 5 August 2016	*Period from 26 July 2014 to 24 July 2015*
	£	*£*
Depreciation of tangible fixed assets	**301,483**	*204,582*
Amortisation of intangible assets, including goodwill	**13,436**	*11,391*
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	**20,000**	*17,040*
Other operating lease rentals	**274,480**	*239,998*
Defined contribution pension cost	**130,565**	*104,919*

7. Auditors' remuneration

	Period from 25 July 2015 to 5 August 2016	*Period from 26 July 2014 to 24 July 2015*
	£	*£*
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	**20,000**	*17,040*
	20,000	*17,040*

8. Employees

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

	Period from 25 July 2015 to 5 August 2016 £	*Period from 26 July 2014 to 24 July 2015 £*
Wages and salaries	26,727,946	*22,146,021*
Social security costs	1,681,841	*1,370,023*
Cost of defined contribution scheme	130,565	*104,072*
	28,540,352	*23,620,116*

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

	Period from 25 July 2015 to 5 August 2016 No.	*Period from 26 July 2014 to 24 July 2015 No.*
Across the whole group	2,071	*1,789*

9. Directors' remuneration

	Period from 25 July 2015 to 5 August 2016 £	*Period from 26 July 2014 to 24 July 2015 £*
Directors' emoluments	291,891	*194,862*
Company contributions to defined contribution pension schemes	944	*473*
	292,835	*195,335*

During the period retirement benefits were accruing to 3 directors *(2015 - 2)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £119,167 *(2015 - £72,734)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £398 *(2015 - £295)*.

10. Interest receivable

	Period from 25 July 2015 to 5 August 2016 £	*Period from 26 July 2014 to 24 July 2015 £*
Other interest receivable	**114**	*747*
	114	*747*

11. Interest payable and similar charges

	Period from 25 July 2015 to 5 August 2016 £	*Period from 26 July 2014 to 24 July 2015 £*
Bank interest payable	**54**	*632*
Other interest payable	**20**	*1,841*
	74	*2,473*

12. Taxation

	Period from 25 July 2015 to 5 August 2016 £	*Period from 26 July 2014 to 24 July 2015 £*
Corporation tax		
Current tax on profits for the year	**224,691**	*181,978*
Adjustments in respect of previous periods	**(2,154)**	*(122)*
	222,537	*181,856*
Total current tax	**222,537**	*181,856*
Deferred tax		
Origination and reversal of timing differences	**17,002**	*8,032*
Total deferred tax	**17,002**	*8,032*
Taxation on profit on ordinary activities	**239,539**	*189,888*

12. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than *(2015 - higher than)* the standard rate of corporation tax in the UK of 20% *(2015 - 20%)*. The differences are explained below:

	Period from 25 July 2015 to 5 August 2016 £	*Period from 26 July 2014 to 24 July 2015 £*
Profit/(loss) on ordinary activities before tax	**1,172,213**	*(2,071,954)*
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	**234,443**	*(414,391)*
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**1,096**	*2,278*
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**368**	*589,787*
Adjustments to tax charge in respect of prior periods	**-**	*2,278*
Other timing differences leading to an increase (decrease) in taxation	**3,632**	*3,455*
Other differences leading to an increase (decrease) in the tax charge	**-**	*6,481*
Total tax charge for the period	**239,539**	*189,888*

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

13. Dividends

	5 August 2016 £	*24 July 2015 £*
Dividends analysis - C Ordinary	**-**	*5,000*
Dividends analysis - D Ordinary	**-**	*5,000*
	-	*10,000*

14. Exceptional items

	Period from 25 July 2015 to 5 August 2016 £	*Period from 26 July 2014 to 24 July 2015 £*
Exceptional items	-	*2,927,740*
	-	*2,927,740*

In the prior period, £2,927,740 relates to a write-off of the loan owed from Agincare Homes Holdings Limited, a company under common control.

15. Intangible assets

Group and Company

	Goodwill £
Cost	
At 25 July 2015	**180,652**
Disposals	**(50,000)**
At 5 August 2016	**130,652**
Amortisation	
At 25 July 2015	**91,095**
Charge for the year	**13,436**
On disposals	**(50,000)**
At 5 August 2016	**54,531**
Net book value	
At 5 August 2016	**76,121**
At 24 July 2015	*89,557*

16. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the period was £47,637 *(2015 - loss £2,338,196)*.

17. Tangible fixed assets

Group

	Long-term leasehold property £	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £
Cost or valuation				
At 25 July 2015	47,720	531,107	39,182	106,643
Additions	-	40,192	-	-
Disposals	-	-	(17,157)	-
At 5 August 2016	47,720	571,299	22,025	106,643
Depreciation				
At 25 July 2015	16,810	21,244	15,009	52,127
Charge for the period on owned assets	2,169	22,852	5,086	12,452
Disposals	-	-	(8,474)	-
At 5 August 2016	18,979	44,096	11,621	64,579
Net book value				
At 5 August 2016	28,741	527,203	10,404	42,064
At 24 July 2015	*30,910*	*509,863*	*24,173*	*54,515*

17. Tangible fixed assets (continued)

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 25 July 2015	-	1,537,996	2,262,648
Additions	1,000	215,069	256,261
Disposals	-	-	(17,157)
At 5 August 2016	1,000	1,753,065	2,501,752
Depreciation			
At 25 July 2015	-	892,131	997,321
Charge for the period on owned assets	127	258,797	301,483
Disposals	-	-	(8,474)
At 5 August 2016	127	1,150,928	1,290,330
Net book value			
At 5 August 2016	873	602,137	1,211,422
At 24 July 2015	-	*645,866*	*1,265,327*

17. Tangible fixed assets (continued)

Company

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 25 July 2015	531,107	70,897	1,159,109	1,761,113
Additions	40,192	-	145,843	186,035
At 5 August 2016	571,299	70,897	1,304,952	1,947,148
Depreciation				
At 25 July 2015	21,244	30,183	682,118	733,545
Charge for the period on owned assets	22,852	7,710	177,558	208,120
At 5 August 2016	44,096	37,893	859,676	941,665
Net book value				
At 5 August 2016	527,203	33,004	445,276	1,005,483
At 24 July 2015	*509,863*	*40,714*	*476,991*	*1,027,568*

18. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Agincare UK Limited	United Kingdom	Ordinary shares	100 %	Domiciliary care
Agincare Live In Care Services Limited	United Kingdom	Ordinary shares	100 %	Domiciliary care
Staff Now Limited	United Kingdom	Ordinary shares	100 %	Domiciliary care
Nurses Now Limited	United Kingdom	Ordinary shares	100 %	Domiciliary care
Agincare Extra Care Services Limited	United Kingdom	Ordinary shares	100 %	Dormant company
Agin Care Homes Limited	United Kingdom	Ordinary shares	100 %	Dormant company
Agincare Limited	United Kingdom	Ordinary shares	100 %	Dormant company

18. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £
Cost or valuation	
At 25 July 2015	5,760,100
Additions	300
At 5 August 2016	5,760,400
Net book value	
At 5 August 2016	5,760,400
At 24 July 2015	*5,760,100*

19. Stocks

	Group 5 August 2016 £	*Group 24 July 2015 £*	Company 5 August 2016 £	*Company 24 July 2015 £*
Finished goods	1,580	*4,818*	1,255	-
	1,580	*4,818*	1,255	-

The difference between purchase price or production cost of stocks and their replacement cost is not material.

20. Debtors

	Group 5 August 2016 £	*Group 24 July 2015 £*	Company 5 August 2016 £	*Company 24 July 2015 £*
Trade debtors	**2,904,835**	*1,762,893*	**-**	*317*
Amounts owed by group undertakings	**-**	*-*	**684,283**	*14,037*
Amounts owed by joint ventures and associated undertakings	**135**	*-*	**135**	*-*
Other debtors	**430,939**	*428,788*	**11,843**	*25,961*
Prepayments and accrued income	**1,839,131**	*2,095,743*	**146,572**	*105,702*
	5,175,040	*4,287,424*	**842,833**	*146,017*

21. Cash and cash equivalents

	Group 5 August 2016 £	*Group 24 July 2015 £*	Company 5 August 2016 £	*Company 24 July 2015 £*
Cash at bank and in hand	**498,785**	*194,684*	**8,558**	*17,517*
	498,785	*194,684*	**8,558**	*17,517*

22. Creditors: Amounts falling due within one year

	Group 5 August 2016 £	*Group As restated 24 July 2015 £*	Company 5 August 2016 £	*Company As restated 24 July 2015 £*
Trade creditors	**216,974**	*429,870*	**72,031**	*204,214*
Amounts owed to group undertakings	**-**	*-*	**1,140,245**	*458,954*
Corporation tax	**117,527**	*48,461*	**-**	*-*
Taxation and social security	**617,289**	*265,593*	**23,120**	*-*
Other creditors	**228,787**	*419,297*	**-**	*-*
Accruals and deferred income	**1,744,015**	*1,636,862*	**102,738**	*82,252*
	2,924,592	*2,800,083*	**1,338,134**	*745,420*

23. Creditors: Amounts falling due after more than one year

	Group 5 August 2016 £	*Group 24 July 2015 £*	Company 5 August 2016 £	*Company 24 July 2015 £*
Other creditors	**46,854**	-	-	-
	46,854	-	-	-

24. Financial instruments

	Group 5 August 2016 £	*Group 24 July 2015 £*	Company 5 August 2016 £	*Company 24 July 2015 £*
Financial assets				
Financial assets measured at fair value through profit or loss	**498,785**	*194,684*	**8,558**	*17,517*
Financial assets that are debt instruments measured at amortised cost	**4,805,475**	*3,951,654*	**696,262**	*40,315*
	5,304,260	*4,146,338*	**704,820**	*57,832*
Financial liabilities				
Financial liabilities measured at amortised cost	**(1,848,019)**	*(2,164,434)*	**(1,316,368)**	*(745,420)*
	(1,848,019)	*(2,164,434)*	**(1,316,368)**	*(745,420)*

25. Deferred taxation

Group

	2016
	£
At beginning of year	(9,745)
Charged to the profit or loss	(17,002)
At end of year	**(26,747)**

Company

	2016
	£
Charged to the profit or loss	(26,876)
At end of year	**(26,876)**

The provision for deferred taxation is made up as follows:

	Group 5 August 2016 £	Company 5 August 2016 £
Accelerated capital allowances	(31,800)	(27,210)
Pension debtor	5,053	334
	(26,747)	*(26,876)*

26. Share capital

	5 August 2016 £	*24 July 2015 £*
Shares classified as equity		
Authorised, allotted, called up and fully paid		
10,000 A Ordinary shares of £1 each	10,000	*10,000*
103 B Ordinary shares of £1 each	103	*103*
103 C Ordinary shares of £1 each	103	*103*
103 D Ordinary shares of £1 each	103	*103*
100 E Ordinary shares of £1 each	100	-
	10,409	*10,309*

During the period, 100 Ordinary E shares of £1 each were issued for the aggregate consideration of £100.

27. Reserves

Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Merger Reserve

The merger reserve for the group relates to the financial results of Blenheim Care Home Limited, which was a subsidiary of Agincare Group Limited for part of the financial period ended 30 July 2010.

Profit and loss account

Includes all current and prior period retained earnings.

28. Contingent liabilities

Agincare Group 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 protectve 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 the 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, HM Revenue & Customs has 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.

29. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £130,565 *(2015: £104,919)*. Contributions totalling £25,267 *(2015: £14,516)* were payable to the fund at the balance sheet date

30. Commitments under operating leases

At 5 August 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 5 August 2016 £	*Group 24 July 2015 £*	**Company 5 August 2016 £**	*Company 24 July 2015 £*
Not later than 1 year	**127,451**	*153,897*	**8,597**	*8,597*
Later than 1 year and not later than 5 years	**269,558**	*370,244*	**34,388**	*34,388*
Later than 5 years	**48,510**	*78,737*	**-**	*8,597*
	445,519	*602,878*	**42,985**	*51,582*

31. Related party transactions

The company has taken advantage of the exemptions from some of the requirements in Section 33 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 A Luckhurst
(Shareholder)
During the period, Mr A Luckhurst received equity distributions of £Nil *(2015: £5,000)*.

Mr S Luckhurst
(Shareholder)
During the period, Mr S Luckhurst received equity distributions of £Nil *(2015: £5,000)*.

Agincare Homes Holdings Limited
(Under common control)
During the period, the company received management charges of £129,847 *(2015: £77,675)*. At the period end, included in amounts owed by related undertakings, is the amount of £135 *(2015: £Nil)*. In the prior period, the intercompany loan of £2,927,740 was written off.

Nemesis Properties
(Under common control)
During the period, the company and its subsidiaries paid rent of £Nil *(2015: £20,292)*. The company made sales of £Nil *(2015: £88,639)* and paid expenses on behalf of Nemeses Properties, amounting to £Nil *(2015: £88,687)*.

Southern Electronic Services Limited
(A member of key management within Agincare Group Limited, Mr I Foggon, is also a director and shareholder)
During the period, the company made purchases of £367,430 *(2015: £149,827)*. At the period end, included in trade creditors is the amount of £55,144 *(2015: £134,854)*.

FM Data Solutions Limited
(A member of key management within Agincare Group Limited, Mr I Foggon, is also a director and shareholder)
During the period, the company made purchases of £52,871 *(2015: £48,804)*. At the period end, included in trade creditors is the amount of £Nil *(2015: £4,067)*.

32. Controlling party

The company is controlled by D E Luckhurst, director, by virtue of holding 97% of the issued share capital.

33. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.