

Company Registration No. 06315771

Zest Care Homes Limited

Annual Report and Financial Statements

for the year ended 30 September 2017



Zest Care Homes Limited

Annual Report and Financial Statements for the year ended 30 September 2017

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Zest Care Homes Limited

Annual Report and Financial Statements for the year ended 30 September 2017

Officers and professional advisers

Directors

G K Sizer
P H Scott

Company Secretary

G K Sizer

Registered Office

2nd Floor, Tirrem House
16 High Street
Yarm
Cleveland
TS15 9AE

Bankers

Santander UK plc
Bootle
Merseyside
L30 4GB

Auditor

Deloitte LLP
Statutory Auditor
Newcastle upon Tyne
United Kingdom

Zest Care Homes Limited

Strategic Report for the year ended 30 September 2017

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The principal activity of the company during the current and prior year was the operation of care homes for the elderly.

The care home business has made steady progress during the current year. Occupancy rates improved slightly and available beds were 93.6% occupied at the year-end (2016: 91.7%)

Key performance indicators

The key performance indicators (KPIs) that are used by the company to monitor progress against its strategy and business plan are as follows:

KPI Description

- **Quality outcome**
Assessment of each home using our own internal audit assessment tool, conducted by an independent consultant on a monthly basis, as well as having regard to those assessments and inspections by external agencies (contracting authorities and regulators, CQC and RQIA).
- **Average occupancy**
The average occupancy of available beds expressed as a percentage, 93.9% (2016: 91.9%)
- **Average weekly fee**
The average weekly fee achieved per occupied bed, £672 per week (2016: £618 per week)
- **Home EBITDAR before central costs.**
Home EBITDAR (Earnings before interest, tax, depreciation, amortisation and rent) before central costs. EBITDAR during the year was £1,358,141 (2016: £1,230 119).
- **EBITDAR margin**
Home EBITDAR before central costs expressed as a percentage of revenue, 16.6% (2016: 15.8%)

In terms of outlook, the directors remain committed to the totem of 'quality and profit being synonymous'. We continue to focus on maximising occupancy whilst continuously improving the level of service offered. As individual homes achieve capacity and satisfactory regulatory reports, the strategy remains thereafter to improve fee rate mix by using natural occupancy churn to offer bed space to the highest potential fee payer. We continue to attempt to improve private to public fee payer mix.

In tandem service enhancements continue such as the addition of minibuses this year and supernumerary deputy managers with a very specific focus on daily and weekly in house quality audit, staff training and supervision, staff roster management and appraisal.

Our objective remains to have all homes performing at budgeted occupancy, with excellent regulatory reports, with positive local reputations as a result. Year on year we expect incremental improvement in average fee rate and steady improvement in EBITDA contribution as a result.

Zest Care Homes Limited

Strategic Report (continued) for the year ended 30 September 2017

FUTURE DEVELOPMENTS

The directors believe sector outlook remains positive. Demographic analysis confirms an ageing population and the incidence of dementia is forever increasing as a percentage of overall client morbidity. Zest continues to increase dementia registration categories as a response to this building demographic. Health and Social care budgets for public sector supported clients won't increase materially over the next few years as public finances remain tight which in essence increases the number of people self-funding and/or paying a top up.

EMPLOYMENT POLICIES

The company gives full consideration to applications for employment from disabled persons and provides the same career prospects and scope for realising their potential as other employees. Where existing employees become disabled, it is the company's policy wherever practical to provide continuing employment under normal terms and conditions and to provide training, career development and promotion wherever possible. During the year, the policy of providing employees with information about the company was improved to make all employees aware of financial and economic factors affecting the performance of the company, with regular meetings being held between management and employees.

PRINCIPAL RISKS AND UNCERTAINTIES

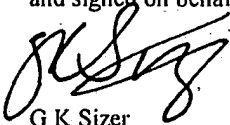
The management of the business and the execution of the company's strategy are subject to a number of risks and uncertainties and steps are undertaken to understand and evaluate these in order to achieve our objective of providing excellent, affordable long-term care in the communities where we operate.

The key risks faced by the company are:

- failure to comply with regulation, possible leading in extreme cases to loss of registration to operate;
- failure to achieve quality standards, possibly leading to suspension of admissions to our home;
- generating severe negative publicity were a serious incident to occur at one of our homes;
- budgeted occupancy levels not being achieved with negative impact on revenue and profitability;
- average weekly fees do not keep pace with cost inflation, putting margins under pressure;
- failure to recruit, retain and motivate the correct quality of care staff, adversely impacting the quality of care provided; and
- failure to renew banking facilities.

Due to the current size of the business, these risks are managed by day to day involvement in the operation of the homes by the directors. The company also contracts with a quality audit assessor to independently assess and grade each aspect of our care service against the regulatory standards. Monthly review meetings are held between the Managing Director and each Home Manager to monitor the performance of each home against its operating budget and to review and update the home's action plan, which is a permanently evolving control document.

Approved by the Board of Directors
and signed on behalf of the Board



G K Sizer
Director
28 June 2018

Zest Care Homes Limited

Directors' Report for the year ended 30 September 2017

The directors present the Annual Report, together with the audited financial statements and independent auditor's report for the year ended 30 September 2017.

In preparing this Directors' Report, the directors have complied with S414C(11) of the Companies Act 2006 by including certain disclosures required by S416(4) within the Strategic Report.

Activities

The principal activity of the company is the operation of nursing and residential care homes for the elderly.

Directors

The directors who served throughout the year and since were as follows:

G K Sizer
P H Scott

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies note, on page 11, of the financial statements.

Dividends

The directors have not recommended a dividend. (2016: Nil)

Information included within the strategic report

Future developments and principal risks and uncertainties are requirements of the directors' report and have been presented above in the strategic report.

Auditor

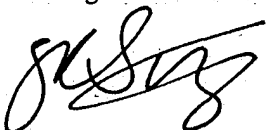
Each of the persons who are directors of the company at the date of this report confirms that:

- So far as the director is aware there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of this information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



G K Sizer
Director
28 June 2018

Zest Care Homes Limited

Directors' Responsibilities Statement for the year ended 30 September 2017

The directors are responsible for preparing the Annual 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), including FRS 102 "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 of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the member of Zest Care Homes Limited for the year ended 30 September 2017

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Zest Care Homes Limited (the 'company') which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

Independent Auditor's Report to the member of Zest Care Homes Limited for the year ended 30 September 2017 (continued)

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

**Independent Auditor's Report to the member of
Zest Care Homes Limited for the year ended 30 September 2017
(continued)**

Matters on which we are required to report by exception


Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report

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



David Johnson BA FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Newcastle Upon Tyne, United Kingdom

28 June 2018

Zest Care Homes Limited

Profit and loss account for the year ended 30 September 2017

	Notes	2017 £	2016 £
Turnover		8,200,786	7,777,848
Cost of sales		<u>(6,842,645)</u>	<u>(6,547,729)</u>
Gross profit		1,358,141	1,230,119
Administrative expenses		<u>(270,276)</u>	<u>(324,312)</u>
Profit on before taxation	3	1,087,865	905,807
Tax on profit	4	<u>(21,880)</u>	<u>3,529</u>
Profit for the financial year		<u><u>1,065,985</u></u>	<u><u>909,336</u></u>

All activities derive from continuing operations in the United Kingdom.

The notes on pages 12 – 19 form an integral part of these financial statements.

There is no comprehensive income for the current financial year or preceding year other than as stated in the profit and loss account. Accordingly, no separate statement of comprehensive income is presented.

Zest Care Homes Limited

Balance sheet as at 30 September 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	5	187,221	203,520
Current assets			
Debtors	6	709,552	255,322
Cash		9,251	13,749
		718,803	269,071
Creditors: amounts falling due within one year	7	(700,256)	(1,354,688)
Net current assets/(liabilities)		18,547	(1,085,617)
Total assets less current liabilities		205,768	(882,097)
Provision for liabilities and charges	8	62,159	84,039
Net assets/(liabilities)		267,927	(798,058)
Capital and reserves			
Called up share capital	9	999	999
Profit and loss account		266,928	(799,057)
Shareholders' funds/(deficit)		267,927	(798,058)

The notes on pages 12 – 19 form an integral part of these financial statements.

The financial statements of Zest Care Homes Limited, registered number 06315771 on pages 9 to 19 were approved by the Board of Directors on 28 June 2018.

Signed on behalf of the Board of Directors



G K Sizer
Director.

Zest Care Homes Limited

Statement of changes in equity for the year ended 30 September 2017

	Called-up share capital £	Profit and loss account £	Total £
At 1 October 2015	999	(1,708,393)	(1,707,394)
Profit and total comprehensive income for the financial year	-	909,336	909,336
At 30 September 2016	999	(799,057)	(798,058)
Profit and total comprehensive income for the financial year	-	1,065,985	1,087,865
At 30 September 2017	999	266,928	267,297

Zest Care Homes Limited

Notes to the financial statements for the year ended 30 September 2017

1. Accounting policies

The particular accounting policies adopted by the directors are described below, and have been applied consistently for the current and prior year.

Accounting convention

Zest Care Homes Limited is a company incorporated in the United Kingdom under the Companies Act. The Company is a private company limited by shares and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Director's Report on page 4.

The financial statements have been prepared in accordance with the historical cost convention and in accordance with the Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent, Zest Investment Group Limited, which can be obtained from the Companies House at Crown Way, Cardiff, Wales CF14 3UZ. Exemptions have been taken in these separate Company financial statements in relation to a cash flow statement, financial instruments, related party transactions and remuneration of key management personnel.

Going concern

The group and company's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the group and company should be able to operate comfortably within the level of the new term loan facility which expires in March 2020.

On this basis the directors have a reasonable expectation that the group and company will be able to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover is stated net of VAT and trade discounts. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost. Depreciation is provided to write off the cost less estimated residual value over their estimated useful lives as follows:

Fixtures and fittings	3 – 4 years
Motor Vehicles	4 years

Zest Care Homes Limited

Notes to the financial statements (continued) for the year ended 30 September 2017

1. Accounting policies (continued)

Leases

Operating lease rentals are charged on a straight line basis over the term of the lease.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax liabilities are not discounted.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Critical accounting judgements

In the application of the Group's accounting policies, which are described above in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. There are no critical accounting judgements in the preparation of the financial statements.

Key sources of estimation uncertainty

There are no key sources of estimation uncertainty applied in the preparation of the financial statements.

Zest Care Homes Limited

Notes to the financial statements (continued) for the year ended 30 September 2017

2. Employees

The average monthly number of employees (including executive directors) was:

	2017 Number	2016 Number
Care staff	367	366
Management and administration	13	13
	<u>380</u>	<u>379</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	4,461,103	4,441,334
Social security costs	291,786	275,705
Pension costs	24,085	22,467
	<u>4,776,974</u>	<u>4,739,506</u>

The directors received no emoluments during the current financial year or the previous financial year for their services to the company. Included within the above is £24,085 defined contribution pension costs (2016: £22,467).

3. Profit before taxation

	2017 £	2016 £
Profit before taxation is shown after charging:		
Depreciation of tangible assets:		
Owned assets	147,194	204,426
Auditor's remuneration:		
- fees payable to company's auditor for the audit of the company's annual financial statements	<u>4,000</u>	<u>3,050</u>

Audit fees are paid by another group company. Fees payable to the company's auditor for non-audit services amounting to £1,200 (2016: £1,400) have been paid by another group company. These fees have been paid without any right of reimbursement.

Zest Care Homes Limited

Notes to the financial statements (continued) for the year ended 30 September 2017

4. Tax on profit on ordinary activities

i) Analysis of tax credit on ordinary activities

	2017 £	2016 £
Current tax:		
United Kingdom corporation tax on the loss for the period	-	-
Deferred tax:		
Timing differences, origination and reversal	14,949	9,632
Adjustment in respect of previous periods	-	(17,584)
Effect of changes in tax rates	6,931	4,423
Total deferred tax	21,880	(3,529)
Total tax charge for the year	21,880	(3,529)

ii) Factors affecting tax charge for the current year

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK of 19.5% (2016: 20%).

The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	1,087,865	905,807
Tax on profit at standard UK rate of 19.5% (2016: 20%):	212,119	181,161
Effects of:		
Expenses not deducted for tax purposes	4,245	1,864
Effects of group relief	24,265	69,495
Transfer pricing adjustments	(225,680)	(242,888)
Adjustments from previous periods	-	(17,584)
Tax rate changes	6,931	4,423
Losses previously not recognised	-	-
Tax charge/(credit) for the year	21,880	(3,529)

Zest Care Homes Limited

Notes to the financial statements (continued) for the year ended 30 September 2017

5. Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost			
At 1 October 2016	974,693	87,140	1,061,833
Additions	130,895	-	130,895
At 30 September 2017	1,105,588	87,140	1,192,728
Depreciation			
At 1 October 2016	798,900	59,413	858,313
Charge for the year	126,096	21,098	147,194
	924,996	80,511	1,005,507
Net book value			
At 30 September 2017	180,592	6,629	187,221
At 30 September 2016	175,793	27,727	203,520

6. Debtors due within one year

	2017 £	2016 £
Trade debtors	141,334	140,346
Other debtors	1,200	1,159
Prepayments	59,462	113,819
Amounts due from group undertakings	506,481	-
Amounts due from related parties	1,075	-
	709,552	255,324

Zest Care Homes Limited

Notes to the financial statements (continued) for the year ended 30 September 2017

7. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank overdraft (secured)	-	-
Trade creditors	162,569	192,420
Other creditors	60,587	65,145
Other taxes and social security costs	68,568	63,725
Accruals	408,532	397,052
Amounts owed to group undertakings	-	636,346
	<u>700,256</u>	<u>1,354,688</u>

8. Provisions for liabilities and charges

	Deferred tax £
At 1 October 2016	84,039
Profit and loss account credit (note 4)	(21,880)
	<u>62,159</u>
At 30 September 2017	<u>62,159</u>

The amounts of deferred taxation provided in the financial statements are as follows:

	2017 £	2016 £
Accelerated capital allowances	(59,959)	(81,647)
Short term timing differences	(2,200)	(2,392)
	<u>(62,159)</u>	<u>(84,039)</u>

Zest Care Homes Limited

Notes to the financial statements (continued) for the year ended 30 September 2017

9. Called-up share capital

	2017 £	2016 £
<i>Allotted, called-up and fully paid</i> 999 ordinary shares of £1 each	999	999

10. Related party transactions

The company has taken the exemption provided under FRS 102 to not disclose intercompany transactions with other group undertakings within the Zest Investment Group.

The directors consider Care Protect Limited to be a related party for the purposes of FRS 102 Section 33 by virtue of common directors. The amount owed by Care Protect Limited at the year end was £1,075. This related to short term working capital movements. Care Protect Limited provides visual surveillance and monitoring services to the Company.

The key management personnel of the Company are also the key management personnel of the Group and other group undertakings. Further details can be found in the consolidated financial statements of Zest Investment Group Limited.

12. Ultimate parent company and controlling party

The directors regard Zest Investment Group Limited, a company incorporated in the United Kingdom and registered in England and Wales, as being the company's immediate and ultimate parent company and is the parent company of the largest and smallest group which includes the company. The registered address of this entity is shown on page 1 of these financial statements. Copies of the group financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

Zest Investment Group Limited is jointly controlled by Mr G Sizer and the Trustees of the Lausar Settlement, each of whom hold 50 per cent of the issued share capital of the company.

Zest Care Homes Limited

Additional information for the year ended 30 September 2017

The additional information consisting of the detailed profit and loss account has been prepared from the accounting records of the company. Whilst it is unaudited and does not form part of the statutory financial statements, it should be read in conjunction with them and the responsibilities section of the auditor's report thereon.

Zest Care Homes Limited

Trading profit and loss account For the year ended 30 September 2017

	2017	2016
	£	£
Turnover		
Fee income	8,200,786	7,777,848
Home payroll costs		
Gross pay	4,363,163	4,326,860
SSP/SMP	26,940	45,474
Employers NI	285,366	269,541
Workplace pensions	23,732	22,133
Agency staff costs	801,675	562,062
	(5,500,876)	(5,226,069)
Home running costs		
Food and kitchen supplies	282,068	283,039
Medical, domestic and cleaning	244,855	239,832
Premises insurance	50,653	45,604
Council tax	1,172	1,123
Equipment leasing	45,075	44,036
Electricity	84,734	82,866
Gas, oil and LPG	57,444	53,263
Water and sewerage	41,547	31,245
Repairs and maintenance	206,896	224,905
Clinical and general waste	54,786	49,509
Window cleaning	13,091	8,681
Telephone	13,399	17,164
Printing, postage and stationery	40,242	36,565
Resident activities	19,642	19,498
Staff recruitment	15,811	40,371
Staff travel and welfare	32,803	34,388
Staff uniforms	12,577	11,843
Criminal Records Bureau/Access NI	1,076	3,115
Staff training	25,109	20,834
Registration fees	26,193	24,036
GP and other fees	57,784	44,289
Computers and software	14,812	5,454
	(1,341,769)	(1,321,660)
Home EBITDAR before central costs	1,358,141	1,230,119

Zest Care Homes Limited

Trading profit and loss account (continued) For the year ended 30 September 2017

	2017	2016
£	£	£
Home EBITDAR before central costs	1,358,141	1,230,119
Central costs		
Gross pay	71,000	69,000
Employees NI	6,420	6,164
Pension	353	334
Repairs and maintenance	298	4,281
Waste disposal	655	706
Printing, postage and stationery	6,693	5,859
Bank charges	4,385	4,578
Computers and software	7,964	4,985
Other staff costs	2,290	2,611
Travel and motor expenses	3,364	1,932
Professional fees	19,661	31,526
	<u>(123,082)</u>	<u>(131,974)</u>
EBITDAR	1,235,059	1,098,145
Rent due to group undertakings	<u>-</u>	<u>-</u>
EBITDA	1,235,059	1,098,145
Depreciation	(147,194)	(204,426)
Profit on asset held for resale	<u>-</u>	<u>12,088</u>
EBITA	<u>1,087,865</u>	<u>905,807</u>