

Registration number: 06610632

Full Circle Care Ltd

Annual Report and Unaudited Financial Statements

for the Year Ended 30 June 2017

Prospero Accounting Ltd
Chartered Accountants
Lowry House
17 Marble Street
Manchester
M2 3AW

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Full Circle Care Ltd

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Full Circle Care Ltd

Company Information

Directors	Ms Sarah-Marie Parish Mr Andrew Jonathan Parish
Company secretary	Mr Jonathan Parish
Registered office	474 Stockport Road Denton Manchester Lancashire M34 6ET
Solicitors	Kuits Steinart Levy LLP 3 St Mary's Parsonage Manchester M3 2RD
Bankers	Santander
Accountants	Prospero Accounting Ltd Chartered Accountants Lowry House 17 Marble Street Manchester M2 3AW

**Chartered Accountants' Report to the Board of Directors on the Preparation of the
Unaudited Statutory Accounts of
Full Circle Care Ltd
for the Year Ended 30 June 2017**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Full Circle Care Ltd for the year ended 30 June 2017 as set out on pages 3 to 12 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Full Circle Care Ltd, as a body, in accordance with the terms of our engagement letter dated 22 March 2017. Our work has been undertaken solely to prepare for your approval the accounts of Full Circle Care Ltd and state those matters that we have agreed to state to the Board of Directors of Full Circle Care Ltd, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Full Circle Care Ltd and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Full Circle Care Ltd has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Full Circle Care Ltd. You consider that Full Circle Care Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Full Circle Care Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Prospero Accounting Ltd

Prospero Accounting Ltd
Chartered Accountants
Lowry House
17 Marble Street
Manchester
M2 3AW
16 March 2018

Full Circle Care Ltd

(Registration number: 06610632)
Balance Sheet as at 30 June 2017

			(As restated)
	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	26,343	32,022
Current assets			
Debtors	5	371,083	315,719
Cash at bank and in hand		112,800	132,788
		483,883	448,507
Creditors: Amounts falling due within one year	6	(54,091)	(59,433)
Net current assets		429,792	389,074
Total assets less current liabilities		456,135	421,096
Provisions for liabilities		(6,103)	-
Net assets		450,032	421,096
Capital and reserves			
Called up share capital		102	102
Profit and loss account		449,930	420,994
Total equity		450,032	421,096

For the financial year ending 30 June 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

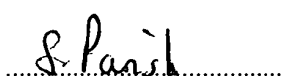
Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 16 March 2018 and signed on its behalf by:



Ms Sarah-Marie Parish
Director

The notes on pages 4 to 12 form an integral part of these financial statements.

Full Circle Care Ltd

Notes to the Financial Statements for the Year Ended 30 June 2017

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

474 Stockport Road

Denton

Manchester

Lancashire

M34 6ET

These financial statements were authorised for issue by the Board on 16 March 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Full Circle Care Ltd

Notes to the Financial Statements for the Year Ended 30 June 2017

Judgements

Preparation of the financial statements requires management to make significant judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on items in the financial statements where these judgements have been made include:

1. As with most UK companies, we are still unsure about the impact following the Brexit vote. We are involved in the social care sector dependent on local authorities being able to meet our fees. During the period of austerity over the last decade local authorities have been under considerable pressure from central government to cut costs with consequent pressure on fees. We have to make significant judgements as to how we feel the economy will perform in the forthcoming years and how that will effect our investment in skilled employees working in key positions and possible further children's homes investments. We are monitoring the situation closely, but it appears that there are still considerable negotiations to be carried out before an agreement can be reached between the UK and EU.
2. The calculation of tax liabilities involves uncertainties in the application of complex tax laws. Determining tax provisions therefore requires judgement on the treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be a taxable revenue against which these can be offset. Management has made judgements as to the probability of future taxable revenues being generated against which tax losses will be available for offset.

Key sources of estimation uncertainty

1. Tangible Fixed Assets - the depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. The carrying amount is £26,343 (2016 -£32,022).
2. Impairment of Debtors - The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. The carrying amount is £371,083 (2016 -£315,719).

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Short leasehold improvements	10% straight line over the period of the lease
Plant and machinery	25% reducing balance
Motor vehicles	25% reducing balance

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Full Circle Care Ltd

Notes to the Financial Statements for the Year Ended 30 June 2017

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 20 (2016 - 20).

Full Circle Care Ltd

Notes to the Financial Statements for the Year Ended 30 June 2017

4 Tangible assets

	Land and buildings £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 July 2016	21,804	26,760	59,903	108,467
Additions	4,630	-	1,281	5,911
At 30 June 2017	<u>26,434</u>	<u>26,760</u>	<u>61,184</u>	<u>114,378</u>
Depreciation				
At 1 July 2016	6,885	23,188	46,372	76,445
Charge for the year	6,994	893	3,703	11,590
At 30 June 2017	<u>13,879</u>	<u>24,081</u>	<u>50,075</u>	<u>88,035</u>
Carrying amount				
At 30 June 2017	<u>12,555</u>	<u>2,679</u>	<u>11,109</u>	<u>26,343</u>
At 30 June 2016	<u>14,919</u>	<u>3,572</u>	<u>13,531</u>	<u>32,022</u>

Included within the net book value of land and buildings above is £12,555 (2016 - £14,920) in respect of short leasehold land and buildings.

5 Debtors

	2017 £	2016 £
Trade debtors	94,838	19,044
Other debtors	<u>276,245</u>	<u>296,675</u>
Total current trade and other debtors	<u>371,083</u>	<u>315,719</u>

6 Creditors

		(As restated)
	Note	
	2017 £	2016 £
Due within one year		
Taxation and social security	13,108	12,234
Other creditors	<u>40,983</u>	<u>47,199</u>
	<u>54,091</u>	<u>59,433</u>

7 Dividends

The directors are proposing a final dividend of £980.3922 (2016 - £Nil) per share totalling £100,000.00 (2016 - £Nil). This dividend has not been accrued in the Balance Sheet.

Full Circle Care Ltd

Notes to the Financial Statements for the Year Ended 30 June 2017

8 Related party transactions

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Company are considered to be key management personnel.

Key management compensation

	2017 £	2016 £
Salaries and other short term employee benefits	153,898	132,444
Post-employment benefits	701	-
	<u>154,599</u>	<u>132,444</u>

Transactions with directors

	At 1 July 2016 £	Advances to directors £	At 30 June 2017 £
2017			
Ms Sarah-Marie Parish			
Director's Loan	<u>25,000</u>	<u>104</u>	<u>25,104</u>
Mr Andrew Jonathan Parish			
Director's Loan	<u>25,000</u>	<u>-</u>	<u>25,000</u>
	At 1 July 2015 £	Advances to directors £	At 30 June 2016 £
2016			
Ms Sarah-Marie Parish			
Director's Loan	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Mr Andrew Jonathan Parish			
Director's Loan	<u>25,000</u>	<u>-</u>	<u>25,000</u>

Directors' remuneration

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2017 No.	2016 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>-</u>
Summary of transactions with other related parties		

Full Circle Care Ltd

Notes to the Financial Statements for the Year Ended 30 June 2017

Pavillion Property Limited

(Company in which Mr A Parish is the sole shareholder and a director)

During the year the company lent £60,000 to Pavillion Property Ltd in relation to the purchase of a further property in Dukinfield subject to a lease back to Full Circle Care Ltd for use as an additional children's home. To date this loan has not been repaid despite demands for repayment having been made. At the balance sheet date the amount due from/(to) Pavillion Property Limited was £61,608 (2016 - £61,608).

Pavillion Property Limited

(Company in which Mr A Parish is the sole shareholder and a director)

On 10 December 2015 the company signed a 10 year full repairing lease with Pavillion Properties Ltd for a property in Duckinfield, which was to be another children's home and provide for the company's expansion. Occupation of the property was set for January 2016. To date the company has not been granted access to the property despite paying monthly rent of £5,000 in advance, in accordance with the terms of the lease and totalling £50,000 in the 18 months to 30 June 2017. The company has not been given a satisfactory explanation as to why access for occupation of the property has been withheld and the company and Pavillion Properties Ltd are now in litigation. The amount is therefore deemed as recoverable from Pavillion Properties Ltd. At the balance sheet date the amount due from/(to) Pavillion Property Limited was £50,000 (2016 - £30,000).

Full Circle After Care Ltd

(Company in which Ms S-M Parish is the sole director and shareholder)

During last year the company lent £60,000 to Full Circle After Care Ltd in relation to the purchase of a property to provide for accommodation for children leaving care provisions. At the balance sheet date the amount due from/(to) Full Circle After Care Ltd was £60,000 (2016 - £60,000).

9 Parent and ultimate parent undertaking

The ultimate controlling party is the directors who each own 50% of the shares.

Full Circle Care Ltd

Notes to the Financial Statements for the Year Ended 30 June 2017

10 Transition to FRS 102

The Company has adopted FRS 102 for the first time for the year ended 30 June 2017. To comply with section 28 of FRS 102, the company now accrues for holiday pay earned by employees but not taken as at the year end date and has restated the comparative prior year amounts.

Balance Sheet at 1 July 2015

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets					
Tangible assets		30,757	-	-	30,757
Current assets					
Debtors		79,691	-	-	79,691
Cash at bank and in hand		223,345	-	-	223,345
		303,036	-	-	303,036
Creditors: Amounts falling due within one year		(32,223)	-	-	(32,223)
Net current assets		270,813	-	-	270,813
Net assets		301,570	-	-	301,570
Capital and reserves					
Called up share capital		(102)	-	-	(102)
Profit and loss account		(301,468)	-	-	(301,468)
Total equity		(301,570)	-	-	(301,570)

Full Circle Care Ltd

Notes to the Financial Statements for the Year Ended 30 June 2017

Balance Sheet at 30 June 2016

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets					
Tangible assets		32,022	-	-	32,022
Current assets					
Debtors		315,718	-	-	315,718
Cash at bank and in hand		132,789	-	-	132,789
		448,507	-	-	448,507
Creditors: Amounts falling due within one year		(39,942)	-	(19,491)	(59,433)
Net current assets/(liabilities)		408,565	-	(19,491)	389,074
Net assets/(liabilities)		440,587	-	(19,491)	421,096
Capital and reserves					
Called up share capital		(102)	-	-	(102)
Profit and loss account		(440,485)	-	-	(440,485)
Total equity		(440,587)	-	-	(440,587)

Full Circle Care Ltd

Notes to the Financial Statements for the Year Ended 30 June 2017

Profit and Loss Account for the year ended 30 June 2016

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Turnover		860,608	-	-	860,608
Cost of sales		<u>(55,986)</u>	<u>-</u>	<u>-</u>	<u>(55,986)</u>
Gross profit		804,622	-	-	804,622
Administrative expenses		<u>(690,639)</u>	<u>-</u>	<u>(19,491)</u>	<u>(710,130)</u>
Operating profit/(loss)		<u>113,983</u>	<u>-</u>	<u>(19,491)</u>	<u>94,492</u>
Other interest receivable and similar income		<u>43</u>	<u>-</u>	<u>-</u>	<u>43</u>
		<u>43</u>	<u>-</u>	<u>-</u>	<u>43</u>
Profit/(loss) before tax		114,026	-	(19,491)	94,535
Taxation		<u>(9)</u>	<u>-</u>	<u>-</u>	<u>(9)</u>
Profit/(loss) for the financial year		<u>114,017</u>	<u>-</u>	<u>(19,491)</u>	<u>94,526</u>