

# Full Circle Care Ltd

Annual Report and Unaudited Financial Statements  
for the Year Ended 30 June 2018

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

# Full Circle Care Ltd

## Contents

Company Information	<u>1</u>
Balance Sheet	<u>2</u>
Notes to the Financial Statements	<u>3 to 9</u>

## **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  
Bridle Road  
Bootle  
Merseyside  
L30 4GB

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

# Full Circle Care Ltd

(Registration number: 06610632)

## Balance Sheet as at 30 June 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	19,071	26,343
<b>Current assets</b>			
Debtors	<u>5</u>	142,306	371,083
Cash at bank and in hand		<u>95,258</u>	<u>112,800</u>
		237,564	483,883
<b>Creditors: Amounts falling due within one year</b>	<u>6</u>	<u>(49,628)</u>	<u>(54,091)</u>
<b>Net current assets</b>		<u>187,936</u>	<u>429,792</u>
<b>Total assets less current liabilities</b>		207,007	456,135
<b>Provisions for liabilities</b>		<u>(4,544)</u>	<u>(6,103)</u>
<b>Net assets</b>		<u>202,463</u>	<u>450,032</u>
<b>Capital and reserves</b>			
Called up share capital	<u>7</u>	102	102
Profit and loss account		<u>202,361</u>	<u>449,930</u>
<b>Total equity</b>		<u>202,463</u>	<u>450,032</u>

For the financial year ending 30 June 2018 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 29 August 2018 and signed on its behalf by:

.....

Ms Sarah-Marie Parish  
Director

The notes on pages 3 to 9 form an integral part of these financial statements.

# **Full Circle Care Ltd**

## **Notes to the Financial Statements for the Year Ended 30 June 2018**

### **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 29 August 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 were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **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 2018**

#### **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 £19,071 (2017 -£26,343).
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 £142,202 (2017 -£371,083).

#### **Revenue recognition**

Turnover represents the invoiced amounts chargeable to local authorities in respect of care and support services provided to children in the company's care. Invoices are rendered monthly based on services provided on a weekly basis and contract price. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

## **Full Circle Care Ltd**

### **Notes to the Financial Statements for the Year Ended 30 June 2018**

#### **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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
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.

#### **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.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

# Full Circle Care Ltd

## Notes to the Financial Statements for the Year Ended 30 June 2018

### 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 22 (2017 - 20).

### 4 Tangible assets

	Land and buildings £	Motor vehicles £	Other tangible assets £	Total £
<b>Cost or valuation</b>				
At 1 July 2017	26,434	26,760	61,184	114,378
Additions	1,280	-	2,857	4,137
At 30 June 2018	27,714	26,760	64,041	118,515
<b>Depreciation</b>				
At 1 July 2017	13,879	24,081	50,075	88,035
Charge for the year	7,248	670	3,491	11,409
At 30 June 2018	21,127	24,751	53,566	99,444
<b>Carrying amount</b>				
At 30 June 2018	6,587	2,009	10,475	19,071
At 30 June 2017	12,555	2,679	11,109	26,343

Included within the net book value of land and buildings above is £6,587 (2017 - £12,555) in respect of short leasehold land and buildings.

### 5 Debtors

	2018 £	2017 £
Trade debtors	85,800	94,838
Prepayments	-	2,000
Other debtors	56,506	274,245
	142,306	371,083



# Full Circle Care Ltd

## Notes to the Financial Statements for the Year Ended 30 June 2018

### 6 Creditors

#### Creditors: amounts falling due within one year

	2018 £	2017 £
<b>Due within one year</b>		
Taxation and social security	14,876	13,108
Accruals and deferred income	18,523	32,579
Other creditors	16,229	8,404
	<u>49,628</u>	<u>54,091</u>

### 7 Share capital

#### Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	102	102	102	102
	<u>102</u>	<u>102</u>	<u>102</u>	<u>102</u>

### 8 Dividends

#### Interim dividends paid

	2018 £	2017 £
Interim dividend of £1,470.59 (2017 - £Nil) per each Ordinary shares	150,000	-
	<u>150,000</u>	<u>-</u>

# Full Circle Care Ltd

## Notes to the Financial Statements for the Year Ended 30 June 2018

### 9 Related party transactions

#### Key management compensation

	2018 £	2017 £
Salaries and other short term employee benefits	81,073	81,898

#### Transactions with directors

2018	At 1 July 2017 £	Repayments by director £	At 30 June 2018 £
<b>Ms Sarah-Marie Parish</b>			
Director's Loan	25,104	(25,000)	104

<b>Mr Andrew Jonathan Parish</b>			
Director's Loan	25,000	(25,000)	-

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

<b>Mr Andrew Jonathan Parish</b>			
Director's Loan	25,000	-	25,000

#### Directors' remuneration

The directors' remuneration for the year was as follows:

	2018 £	2017 £
Remuneration	81,073	81,898

#### Dividends paid to directors

	2018 £	2017 £
<b>Mr Andrew Jonathan Parish</b>		
Interim 2018	50,000	-
Final 2014	25,000	-
	75,000	-

**Ms Sarah-Marie Parish**  
Interim 2018

75,000 -

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## **Full Circle Care Ltd**

### **Notes to the Financial Statements for the Year Ended 30 June 2018**

#### **Summary of transactions with other related parties**

##### **Pavillion Property Limited**

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

During a prior 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. This loan has not been repaid and it has now been agreed by the directors that the full amount will be written off in the accounts. At the balance sheet date the amount due from/(to) Pavillion Property Limited was £nil (June 2017 - £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 Property 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. It has now been agreed by the directors that £41,250 will be repaid by Pavillion Property Ltd with the remaining £8,750 being written off in the company's accounts. It has also been agreed by the directors that the lease will be surrendered and this is currently in the hands of the two companies solicitors. At the balance sheet date the amount due from Pavillion Property Ltd was £41,250 (June 2017 - £50,000).

##### **Full Circle After Care Ltd**

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

During the previous year the company lent £60,000 to Full Circle After Care Ltd in relation to the purchase of a property to provide for accomodation for children leaving care provisions. It has since been agreed by the directors that this amount will be written off in the accounts. At the balance sheet date the amount due from Full Circle After Care Ltd was £nil (June 2017 - £60,000).

#### **10 Parent and ultimate parent undertaking**

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

Page 9

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