

Company Registration Number 06679336

Action For Care Limited

Abbreviated Accounts

31 August 2015

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COMPANIES HOUSE

MCABA LIMITED T/A MITCHELLS
Chartered Accountants & Statutory Auditor
91-97 Saltergate
Chesterfield
Derbyshire
S40 1LA

Action For Care Limited

Abbreviated Accounts

Year Ended 31 August 2015

Contents	Page
Officers and professional advisers	1
Strategic report	2
The director's report	3
Independent auditor's report to the company	5
Abbreviated profit and loss account	6
Abbreviated balance sheet	7
Cash flow statement	8
Notes to the abbreviated accounts	10

Action For Care Limited

Officers and Professional Advisers

The director	R Hadfield
Company secretary	R Hadfield
Registered office	91-97 Saltergate Chesterfield Derbyshire S40 1LA
Auditor	MCABA Limited t/a Mitchells Chartered Accountants & Statutory Auditor 91-97 Saltergate Chesterfield Derbyshire S40 1LA
Bankers	Santander 9 High Street Chesterfield Derbyshire S40 1PS
Solicitors	BRM Solicitors Gray Court 99 Saltergate Chesterfield Derbyshire S40 1LD

Action For Care Limited

Strategic Report

Year Ended 31 August 2015

The directors present their strategic report on the company for the year ended 31 August 2015

Review of the business

The principal activity of the company during the year continued to be that of operating homes catering for residents with Learning Disabilities

Results and performance

The results of the company for the year, as set out on pages 7 to 9 show a loss on ordinary activities before taxation of £34,519 (2014: profit of £205,919). The shareholders funds for the company amounted to £216,874 (2014: £306,443). Although there was a loss on ordinary activities before tax the company and industry place more reliance on Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). The directors were very satisfied with an EBITDA for the year of £728,208 (2014: £710,386)

Key performance indicators

The directors monitor the progress of the company by reference to key performance indicators. The key performance indicators for the company are those that communicate the financial performance and strength of the company as a whole, being turnover and gross profit margin.

The company has continued to operate three homes during the year to 31 August 2015. There has been an improvement in the key performance indicators. Turnover has increased to £2,243,591 (2014: £2,137,270) due to higher occupancy levels. The gross profit margin for the company has increased to 44% (2014: 43%), with the gross profit being £985,810 (2014: £913,321).

Principal risks and uncertainties

The current principal risks and uncertainties to the ongoing performance of the company is the reputation with local authorities. Currently, Action For Care Limited has good relationships with these and hopes to build upon this for the future.

Signed by order of the director


R Hadfield
Company Secretary

Approved by the director on 26 May 2016

Action For Care Limited

Director's Report

Year Ended 31 August 2015

The director presents his report and the financial statements of the company for the year ended 31 August 2015.

Future Developments

The company believes it has key staff and systems in place to further improve performance as well as actively looking to expand its operations. They are currently searching for homes to acquire and develop that fit the company brand and will enhance the company's future net worth.

Results and Dividends

The loss for the year, after taxation, amounted to £89,569. The director has not recommended a dividend.

Director

The director who served the company during the year was as follows:

R Hadfield

Financial Instruments

Financial risk management objectives and policies

The director has reviewed the financial risks facing the company and have devised systems and controls to mitigate these risks.

Interest rate risk

The company is currently in a variable rate interest only mortgage. The company regularly reviews operating cash flow against bank loan interest payments and has a significant margin of safety regarding the serviceability of the interest. Due to this the directors believe they are suitably managing interest rate risk without the need for purchasing fixed rate or hedge products.

Liquidity rate risk

With regards liquidity, the company's policy throughout the periods presented has been to maintain a mix of short, medium and long term, bank borrowings. Short term flexibility is achieved by overdraft facilities.

Statement of Director's Responsibilities

The director is responsible for preparing the Strategic Report, Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director 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 director is required to:

Action For Care Limited

Director's Report *(continued)*

Year Ended 31 August 2015

- 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.


Auditor

MCABA Limited t/a Mitchells are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

The director at the date of the approval 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 steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed by order of the director



R Hadfield
Company Secretary

Approved by the director on 26 May 2016

Action For Care Limited

Independent Auditor's Report to Action For Care Limited

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes, together with the financial statements of Action For Care Limited for the year ended 31 August 2015 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

Respective Responsibilities of Director and Auditor

The director is responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



RICHARD TRUEMAN FCA (Senior Statutory Auditor)
For and on behalf of
MCABA LIMITED T/A MITCHELLS
Chartered Accountants & Statutory Auditor

91-97 Saltergate
Chesterfield
Derbyshire
S40 1LA

26 May 2016

Action For Care Limited

Abbreviated Profit and Loss Account

Year Ended 31 August 2015

	Note	2015 £	2014 £
Turnover		2,243,591	2,137,270
Cost of Sales and Other operating income		1,257,781	1,223,949
Administrative expenses		989,575	651,518
Operating (Loss)/Profit	2	(3,765)	261,803
Interest payable and similar charges	5	30,754	55,884
(Loss)/Profit on Ordinary Activities Before Taxation		(34,519)	205,919
Tax on (loss)/profit on ordinary activities	6	55,050	4,468
(Loss)/Profit for the Financial Year		<u>(89,569)</u>	<u>201,451</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 10 to 16 form part of these abbreviated accounts.

Action For Care Limited

Abbreviated Balance Sheet

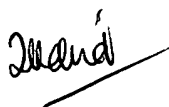
31 August 2015

	Note	2015 £	2014 £
Fixed Assets			
Intangible assets	7	1,924,998	2,584,996
Tangible assets	8	2,454,558	1,786,963
		<u>4,379,556</u>	<u>4,371,959</u>
Current Assets			
Stocks	9	1,500	1,500
Debtors	10	297,157	250,363
Cash at bank and in hand		72,575	539,298
		<u>371,232</u>	<u>791,161</u>
Creditors: Amounts falling due within one year	11	<u>648,806</u>	<u>285,977</u>
Net Current (Liabilities)/Assets		<u>(277,574)</u>	<u>505,184</u>
Total Assets Less Current Liabilities		<u>4,101,982</u>	<u>4,877,143</u>
Creditors: Amounts falling due after more than one year	12	3,858,575	4,563,415
Provisions for Liabilities			
Deferred taxation	14	26,533	7,285
		<u>216,874</u>	<u>306,443</u>
Capital and Reserves			
Called up equity share capital	15	100	100
Profit and loss account	16	216,774	306,343
Shareholders' Funds	17	<u>216,874</u>	<u>306,443</u>

These abbreviated accounts have been prepared in accordance with the special provisions of section 445(3) Companies Act 2006 in regard to medium-sized companies.

These abbreviated accounts were approved and signed by the director and authorised for issue on 26 May 2016.

R Hadfield
Director



Company Registration Number: 06679336

The notes on pages 10 to 16 form part of these abbreviated accounts.

Action For Care Limited

Cash Flow Statement

Year Ended 31 August 2015

	2015 £	2014 £
Net Cash Inflow from Operating Activities	970,020	746,184
Returns on Investments and Servicing of Finance		
Interest paid	(29,261)	(55,884)
Interest element of hire purchase	<u>(1,493)</u>	<u>—</u>
Net Cash Outflow from Returns on Investments and Servicing of Finance	(30,754)	(55,884)
Taxation	(70,658)	673
Capital Expenditure		
Payments to acquire tangible fixed assets	(749,031)	(129,772)
Receipts from sale of fixed assets	<u>11,186</u>	<u>377,142</u>
Net Cash (Outflow)/Inflow from Capital Expenditure	(737,845)	247,370
Cash Inflow Before Financing	130,763	938,343
Financing		
Increase in/(repayment of) bank loans	574,870	(103,334)
Capital element of hire purchase	70,990	—
Net inflow from other long-term creditors	60,688	—
Repayment of director's long-term loans	<u>(1,304,034)</u>	<u>(653,209)</u>
Net Cash Outflow from Financing	(597,486)	(756,543)
(Decrease)/Increase in Cash	<u>(466,723)</u>	<u>181,800</u>
Reconciliation of operating (loss)/profit to net cash inflow from operating activities		
	2015 £	2014 £
Operating (loss)/profit	(3,765)	261,803
Amortisation	659,998	659,999
Depreciation	71,975	48,507
Profit on disposal of fixed assets	(1,725)	(259,923)
Increase in debtors	(46,794)	(15,630)
Increase in creditors	290,331	51,428
Net cash inflow from operating activities	<u>970,020</u>	<u>746,184</u>

Action For Care Limited

Cash Flow Statement

Year Ended 31 August 2015

Reconciliation of net cash flow to movement in net debt

	2015 £	2014 £
(Decrease)/increase in cash in the period	(466,723)	181,800
Net cash (inflow) from/outflow from bank loans	(574,870)	103,334
Cash outflow in respect of hire purchase	(70,990)	—
Net cash (inflow) from other long-term creditors	(60,688)	—
Cash outflow from director's long-term loans	<u>1,304,034</u>	<u>653,209</u>
	130,763	938,343
Change in net debt	130,763	938,343
Net debt at 1 September 2014	(4,126,654)	(5,064,997)
Net debt at 31 August 2015	<u>(3,995,891)</u>	<u>(4,126,654)</u>

Analysis of changes in net debt

	At 1 Sep 2014 £	Cash flows £	At 31 Aug 2015 £
Net cash:			
Cash in hand and at bank	<u>539,298</u>	<u>(466,723)</u>	<u>72,575</u>
Debt:			
Debt due within 1 year	(102,537)	(78,024)	(180,561)
Debt due after 1 year	(4,563,415)	746,500	(3,816,915)
Hire purchase agreements	<u>—</u>	<u>(70,990)</u>	<u>(70,990)</u>
	<u>(4,665,952)</u>	<u>597,486</u>	<u>(4,068,466)</u>
Net debt	<u>(4,126,654)</u>	<u>130,763</u>	<u>(3,995,891)</u>

Action For Care Limited

Notes to the Abbreviated Accounts

Year Ended 31 August 2015

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Turnover

The turnover shown in the profit and loss account represents residents fees earned during the year.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 5 years straight line

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 15% reducing balance

Motor Vehicles - 33% reducing balance

Leasehold property and freehold property are not depreciated on the grounds that the depreciation charge and accumulated depreciation would be immaterial. This is due to the company having a policy and practice of regular maintenance and repair resulting in a high residual value. Maintenance and repair charges are recognised in the profit and loss account.

In line with FRS15, the carrying values of freehold and leasehold property are reviewed for impairment at the end of each period to ensure there are no events or changes in circumstances which would indicate the carrying value may not be recoverable.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Action For Care Limited

Notes to the Abbreviated Accounts

Year Ended 31 August 2015

1. Accounting policies *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

2. Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

	2015 £	2014 £
Director's remuneration	3,739	–
Amortisation of intangible assets	659,998	659,999
Depreciation of owned fixed assets	63,119	48,507
Depreciation of assets held under hire purchase agreements	8,856	–
Profit on disposal of fixed assets	(1,725)	(259,923)
Auditor's remuneration - as auditor	<u>7,800</u>	<u>–</u>

3. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2015 No	2014 No
Nursing and administration staff (including directors)	<u>74</u>	<u>73</u>

The aggregate payroll costs of the above were:

	2015 £	2014 £
Wages and salaries	1,058,956	1,034,213
Social security costs	83,571	79,912
	<u>1,142,527</u>	<u>1,114,125</u>

Action For Care Limited

Notes to the Abbreviated Accounts

Year Ended 31 August 2015

4. Director's remuneration

The director's aggregate remuneration in respect of qualifying services were:

	2015 £	2014 £
Aggregate remuneration	<u>3,739</u>	<u>-</u>

5. Interest payable and similar charges

	2015 £	2014 £
Interest payable on bank borrowing	27,820	25,212
Finance charges	1,493	-
Other similar charges payable	<u>1,441</u>	<u>30,672</u>
	<u>30,754</u>	<u>55,884</u>

6. Taxation on ordinary activities

(a) Analysis of charge in the year

	2015 £	2014 £
Current tax:		
Corporation tax	-	-
Over/under provision in prior year	<u>35,802</u>	<u>(2,817)</u>
Total current tax	<u>35,802</u>	<u>(2,817)</u>
Deferred tax:		
Origination and reversal of timing differences (note 14)		
Capital allowances	<u>19,248</u>	<u>7,285</u>
Tax on (loss)/profit on ordinary activities	<u>55,050</u>	<u>4,468</u>

(b) Factors that may affect future tax charges

The company has corporation tax losses to carry forward of £242,172

Action For Care Limited

Notes to the Abbreviated Accounts

Year Ended 31 August 2015

7. Intangible assets

	Goodwill £
Cost	
At 1 September 2014 and 31 August 2015	<u>3,959,994</u>
Amortisation	
At 1 September 2014	1,374,998
Charge for the year	<u>659,998</u>
At 31 August 2015	<u>2,034,996</u>
Net Book Value	
At 31 August 2015	<u>1,924,998</u>
At 31 August 2014	<u>2,584,996</u>

8. Tangible assets

	Freehold Property £	Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 September 2014	1,614,555	33,264	170,769	96,525	1,915,113
Additions	452,449	—	153,175	143,407	749,031
Disposals	—	—	—	(13,860)	(13,860)
At 31 August 2015	<u>2,067,004</u>	<u>33,264</u>	<u>323,944</u>	<u>226,072</u>	<u>2,650,284</u>
Depreciation					
At 1 September 2014	—	—	92,913	35,237	128,150
Charge for the year	—	—	25,273	46,702	71,975
On disposals	—	—	—	(4,399)	(4,399)
At 31 August 2015	<u>—</u>	<u>—</u>	<u>118,186</u>	<u>77,540</u>	<u>195,726</u>
Net Book Value					
At 31 August 2015	<u>2,067,004</u>	<u>33,264</u>	<u>205,758</u>	<u>148,532</u>	<u>2,454,558</u>
At 31 August 2014	<u>1,614,555</u>	<u>33,264</u>	<u>77,856</u>	<u>61,288</u>	<u>1,786,963</u>

Hire purchase agreements

Included within the net book value of £2,454,558 is £79,194 (2014 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £8,856 (2014 - £Nil).

9. Stocks

	2015 £	2014 £
Stock	<u>1,500</u>	<u>1,500</u>

Action For Care Limited

Notes to the Abbreviated Accounts

Year Ended 31 August 2015

10. Debtors

	2015 £	2014 £
Trade debtors	243,150	214,949
Other debtors	13,136	8,517
Prepayments and accrued income	40,871	26,897
	<u>297,157</u>	<u>250,363</u>

11. Creditors: Amounts falling due within one year

	2015 £	2014 £
Bank loans	180,561	102,537
Trade creditors	75,952	60,602
Corporation tax	—	34,856
PAYE and social security	26,623	19,450
Hire purchase agreements	29,330	—
Other creditors	32,743	27,412
Directors current accounts - RH	240,000	—
Accruals and deferred income	63,597	41,120
	<u>648,806</u>	<u>285,977</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2015 £	2014 £
Bank loans	180,561	102,537
Hire purchase agreements	29,330	—
	<u>209,891</u>	<u>102,537</u>

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

	2015 £	2014 £
Bank loans and overdrafts	1,306,024	809,178
Hire purchase agreements	41,660	—
Other creditors	60,688	—
Director's loan account	2,450,203	3,754,237
	<u>3,858,575</u>	<u>4,563,415</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2015 £	2014 £
Bank loans and overdrafts	1,306,024	809,178
Hire purchase agreements	41,660	—
	<u>1,347,684</u>	<u>809,178</u>

National Westminster Bank Plc holds a fixed and floating charge over the undertaking and all the property and assets of the company.

Action For Care Limited

Notes to the Abbreviated Accounts

Year Ended 31 August 2015

12. Creditors: Amounts falling due after more than one year *(continued)*

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	2015 £	2014 £
Bank loans and overdrafts	<u>293,877</u>	<u>399,034</u>

13. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2015 £	2014 £
Amounts payable within 1 year	31,891	-
Amounts payable between 1 and 2 years	<u>45,288</u>	-
	77,179	-
Less interest and finance charges relating to future periods	<u>(6,189)</u>	-
	<u>70,990</u>	-
Hire purchase agreements are analysed as follows:		
Current obligations	29,330	-
Non-current obligations	<u>41,660</u>	-
	<u>70,990</u>	-

14. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2015 £	2014 £
Provision brought forward	7,285	-
Profit and loss account movement arising during the year	<u>19,248</u>	<u>7,285</u>
Provision carried forward	<u>26,533</u>	<u>7,285</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2015 £	2014 £
Excess of taxation allowances over depreciation on fixed assets	<u>26,533</u>	<u>7,285</u>
	<u>26,533</u>	<u>7,285</u>

15. Share capital

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Action For Care Limited

Notes to the Abbreviated Accounts

Year Ended 31 August 2015

16. Profit and loss account

	2015 £	2014 £
Balance brought forward	306,343	104,892
(Loss)/profit for the financial year	(89,569)	201,451
Balance carried forward	<u>216,774</u>	<u>306,343</u>

17. Reconciliation of movements in shareholders' funds

	2015 £	2014 £
(Loss)/Profit for the financial year	(89,569)	201,451
Opening shareholders' funds	306,443	104,992
Closing shareholders' funds	<u>216,874</u>	<u>306,443</u>