

Registered number: 06931892

ECG Domicillary Care Limited

Annual report and financial statements

For the year ended 31 March 2016

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ECG Domicillary Care Limited

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ECG Domicillary Care Limited

Company information

Directors M C Glowasky

Registered number 06931892

Registered office 11th Floor
Two Snowhill
Birmingham
B4 6WR

Independent auditors PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Central Square
29 Wellington Street
Leeds
LS1 4DL

ECG Domicillary Care Limited
Strategic report
For the year ended 31 March 2016

Principal activities

The company did not trade during the year and is not expected to trade in the foreseeable future.

Business review and matters of strategic importance

The company does not trade and the directors are satisfied with its financial position. The company is part of the group of companies headed by Butterfly Group Healthcare Limited, a group that operates in the care home sector. The paragraphs that follow relate to the group as a whole, rather than the Company in isolation.

Principal risks and uncertainties

Like all businesses the Company faces a number of operating risks and uncertainties. There are a number of risks that could impact on the Company's long-term performance and steps are taken to understand and evaluate these.

The most fundamental risks faced by the Company are:

- if the Company fails to comply with regulation, regulatory action could include, among other penalties, the revocation of a care homes licence to operate.
- the Company could suffer serious negative publicity if a serious incident was to occur at one of the care homes.
- if the average weekly fee increases do not at least rise in line with costs.
- if the Company fails to attract and retain nursing and other qualified staff, it may be unable to provide residents with the quality nursing care and may have to reduce the number of beds in its care homes.

Financial risk management

The Company's main financial risks are related to its borrowings. The Company's principal financial instruments comprise loans and cash as well as various items that arise directly from its operations, including trade debtors and trade creditors. The directors monitor the overall level of borrowings and interests costs to limit any adverse effects on the financial performance of the Company.

The liquidity risk of the Company is low because of the strong cash generation from operations and the use of loans for the funding of acquisitions and major capital expenditure projects.

The credit risk attributable to trade debtors is minimal as the majority of fees are paid by local authorities and the incidence of bad debt on private fee payers is minimal.

Future developments

The directors continue to be focused on providing modern purpose built, high quality care homes to meet industry standards and to provide a high level of care to residents.

Employees

The directors recognise the benefits which arise from keeping employees informed of the Company's progress. The Company is therefore committed to providing its employees with information on a regular basis, to consulting with them on a regular basis so that their views and/or concerns may be taken into account in taking decisions which may affect their interests. The Company aims to foster a working environment in which all employees are treated with courtesy and respect and seeks at all times to provide opportunities to develop and reach their full potential.

It is the Company's policy to ensure that disabled persons are treated fairly and consistently in terms of recruitment, training, career development and promotion and that their employment opportunities should be based on a realistic assessment of their aptitudes and abilities. Wherever possible, the Company will continue the employment of persons who become disabled during the course of their employment with the Company through retraining, acquisition of special aids and/or equipment or the provision of suitable alternative equipment.

On behalf of the board



M C Glowasky
Director
29 December 2016

ECG Domicillary Care Limited

Directors' report

For the year ended 31 March 2016

The directors present their report and the audited financial statements of ECG Domicillary Care Limited (the "Company") for the year ended 31 March 2016.

Results and review of the business

The trading results for the year and the Company's financial position at the end of the year are shown in the attached statements. The Company's profit before taxation was £750 (2015 profit - £769)

Going concern

After making appropriate enquiries the directors have reasonable expectations that the Company is well placed to manage its business risks successfully and has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors who served during the year and up to the date of signing the financial statements were:

M C Glowasky (appointed 3 February 2016)

D M Harrison (resigned 30 June 2015)

G F Brown (resigned 22 May 2015)

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report and the Directors' 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). 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 period. 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;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- 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.

ECG Domicillary Care Limited

Directors' report

For the year ended 31 March 2016

Statement of disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board



M C Glowasky
Director

29 December 2016

ECG Domicillary Care Limited
Independent auditors' report to the members of ECG Domicillary Care Limited
Report on the financial statements

Our opinion

In our opinion ECG Domicillary Care Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its profit for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual report, comprise:

- the Balance sheet as at 31 March 2016;
- the Profit and loss account for the year ended;
- the Statement of comprehensive income for the year ended;
- the Statement of changes in equity for the year ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Tom Yeates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

30 December 2016

ECG Domicillary Care Limited

**Profit and loss account
For the year ended 31 March 2016**

	Note	2016 £	2015 £
Administrative expenses		<u>750</u>	<u>769</u>
Operating profit		<u>750</u>	<u>769</u>
Profit on ordinary activities before taxation		750	769
Tax on profit on ordinary activities	6	<u>-</u>	<u>-</u>
Profit for the financial year		<u>750</u>	<u>769</u>

The notes on pages 11 to 17 form part of these financial statements.

ECG Domicillary Care Limited

**Statement of comprehensive income
For the year ended 31 March 2016**

	Note	2016 £	2015 £
Profit for the financial year		750	769
Other comprehensive income		-	-
Total comprehensive income for the year		<u>750</u>	<u>769</u>

ECG Domicillary Care Limited
Registered number: 06931892
Balance sheet
As at 31 March 2016

	Note	2016 £	2015 £
Current assets			
Debtors: amounts falling due within one year	7	74	74
		<u>74</u>	<u>74</u>
Creditors: amounts falling due within one year	8	(1,501)	(2,251)
Net current liabilities		<u>(1,427)</u>	<u>(2,177)</u>
Net liabilities		<u>(1,427)</u>	<u>(2,177)</u>
Capital and reserves			
Called up share capital	9	2	2
Retained earnings		(1,429)	(2,179)
Total shareholders' deficit		<u>(1,427)</u>	<u>(2,177)</u>

The financial statements on pages 7 to 17 were approved and authorised for issue by the board of directors on 29 December 2016 and were signed on its behalf by



M C Glowasky
Director

The notes on pages 11 to 17 form part of these financial statements.

ECG Domicillary Care Limited**Statement of changes in equity
For the year ended 31 March 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2015	2	(2,179)	(2,177)
Comprehensive income for the year			
Profit for the financial year	-	750	750
Total comprehensive income for the year	-	750	750
At 31 March 2016	2	(1,429)	(1,427)

**Statement of changes in equity
For the year ended 31 March 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2014	2	(2,948)	(2,946)
Comprehensive income for the year			
Profit for the financial year	-	769	769
Total comprehensive income for the year	-	769	769
At 31 March 2015	2	(2,179)	(2,177)

ECG Domicillary Care Limited

Notes to the financial statements For the year ended 31 March 2016

1. General information

The Company's principal activity during the financial year was that of the establishment and running of care homes. The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is 11th Floor, Two Snowhill, Birmingham, B4 6WR.

2. Statement of compliance

The financial statements of ECG Domicillary Care Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

3.1 Basis of preparation of financial statements

The principal accounting policies which have been applied consistently in the preparation of these financial statements are set out below. The Company has adopted FRS 102 in these financial statements.

These financial statements are prepared on a going concern basis, under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3.2 Exemption for qualifying under FRS 102

The Company is included in the consolidated financial statements of Butterfly Group Healthcare Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement contained in FRS 102.

The company has exemption from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures.

3.3 Going concern

After making appropriate enquiries the directors have reasonable expectations that the Company is well placed to manage its business risks successfully and has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

3.4 Turnover and other operating income

The turnover shown in the profit and loss account comprises total gross invoices charged to residents during the period.

3. Summary of significant accounting policies (continued)

3.5 Intangible assets

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 20 years. Provision is made for any impairment.

3.6 Tangible fixed assets

All fixed assets are initially recorded at cost. Investment properties are held at valuation.

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

The estimated useful lives range as follows:

Fixtures, fittings & equipment	-	10% and 15% straight line
Motor vehicles	-	25% straight line

No depreciation is provided on freehold property. In the opinion of the directors the residual value would be sufficiently high to make any depreciation charge in the current or prior year immaterial, which is supported by an impairment review.

3.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

3.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits with banks.

3. Summary of significant accounting policies (continued)

3.9 Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of comprehensive income, except to the extent that it relates to items recognised in equity. In this case tax is also recognised in equity. Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only 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 tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

3.10 Leasing and hire purchase agreements

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

3.11 Borrowings

Interest-bearing loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement on 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.

3.12 Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

3. Summary of significant accounting policies (continued)

3.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.14 Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets' original effective interest rate. The impairment loss is recognised in the statement of comprehensive income. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in statement of comprehensive income.

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (iii) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including other payables and loans from fellow group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical judgements in applying the entity's accounting policies

No critical judgements have been made in applying the entity's accounting policies.

4.2 Key accounting estimates and assumptions

No key accounting estimates and assumptions have been made in applying the entity's accounting policies.

ECG Domicillary Care Limited

Notes to the financial statements For the year ended 31 March 2016

5. Turnover

The whole of the turnover is attributable to the Company's main activity which is carried out in the United Kingdom.

6. Tax on profit on ordinary activities

	2016 £	2015 £
Current tax on profits for the year	-	-
Total current tax	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>750</u>	<u>769</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	150	161
Effects of:		
Group relief received	(150)	(161)
Total tax charge for the year	<u>-</u>	<u>-</u>

ECG Domicillary Care Limited

**Notes to the financial statements
For the year ended 31 March 2016**

7. Debtors: amounts falling due within one year

	2016 £	2015 £
Other debtors	74	74
	<u>74</u>	<u>74</u>

Amounts owed by group undertakings are due after more than one year.

8. Creditors: Amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	1,501	1,501
Other taxation and social security	-	750
	<u>1,501</u>	<u>2,251</u>

9. Called up share capital

	2016 £	2015 £
Allotted and fully paid		
Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

ECG Domicillary Care Limited

Notes to the financial statements For the year ended 31 March 2016

10. Immediate and ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Butterfly Group Healthcare Limited which is the smallest and largest group to consolidate these financial statements. Copies of the financial statements can be obtained from 11th Floor, Two Snowhill, Birmingham, B4 6WR.

At the date of signing the accounts, the directors consider that the Company is controlled by Monarch Master Funding 1 (Luxembourg) Sarl, a company registered in Luxembourg. In the opinion of the directors there is no single ultimate controlling party.

11. Related party transactions

The Company has taken advantage of the exemption under paragraph 33.1A of FRS 102 from the requirement to disclose related party transactions on the grounds that all related party transactions are with other companies that are wholly owned within the group.

12. First time adoption of FRS 102

This is the first year that the Company has presented its results under the FRS 102. The last financial statements prepared under UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 102 was 1 April 2014. There were no changes in accounting policies arising on the transition from UK GAAP to FRS 102.