

**Evolution Homecare Services Limited**

**Report and Financial Statements**

**31 December 2008**

Company Registration No 874977

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**Evolution Homecare Services Limited**  
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**Evolution Homecare Services Limited  
Directors and Officers**

**DIRECTORS**

R Robinson  
J Shaw

**SECRETARY**

P Smerdon

**REGISTERED OFFICE**

Sapphire Court  
Walsgrave Triangle  
Coventry  
CV2 2TX  
England  
Great Britain

**AUDITORS**

Ernst and Young LLP  
Compass House  
Newmarket Road  
Cambridge  
CB5 8DZ

**PRINCIPAL BANKERS**

Royal Bank of Scotland  
2 St Philips Place  
Birmingham  
B3 2RB

## **Evolution Homecare Services Limited**

### **Directors' Report**

The directors submit their report and the financial statements of the company for the year ended 31 December 2008.

The company changed its name to Evolution Homecare Services Limited from Teamwaste Limited on 17 January 2008.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company is the supply of healthcare products and services.

#### **REVIEW OF THE BUSINESS**

Evolution Homecare commenced trading on 1 October 2008 as a result of the transfer of the homecare services activities of sister company Healthcare Logistics Limited into a separate legal entity. As a start-up business the company has incurred losses in its first period of operation but the company is fully supported by its parent company Admenta Holdings Limited.

In 2009 the business has been successful in securing tenders for new contracts which has increased patient numbers in line with the company's long term plan. The business continues to develop its capabilities to enable it to maximise developments in the Homecare market as and when they arise.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the company is subject to a number of key risks. Risks are formally reviewed by the board and appropriate processes are put in place to monitor and mitigate them, within a risk framework developed by the company's intermediate parent, Celesio AG.

#### **RESULTS AND DIVIDENDS**

The results for the company show a gross profit of £183,583 for the period and a loss for the year, after tax, of £998,625. No dividend is proposed for 2008.

#### **DIRECTORS**

The directors at 31 December 2008 were as follows:

A Willets	(resigned 29 May 2008)
P Smerdon	(resigned 29 May 2008)
R Smith	(appointed 29 May 2008, resigned 1 January 2009)
P O'Hanlon	(appointed 29 May 2008, resigned 31 May 2009)

**Evolution Homecare Services Limited**  
**Directors' Report (continued)**

R Robinson (appointed 29 May 2008)

In addition J Shaw was appointed a director of the company on 1 January 2009.

**DIRECTORS' INTERESTS IN SHARES**

The directors have no interests in the share capital of the company.

**POLITICAL AND CHARITABLE DONATIONS**

No donations were given during the year ended 31 December 2008.

**DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

No such arrangements were in place at 31 December 2008.

**PREPARATION OF ACCOUNTS**

These accounts are prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small entities

**PROVISION OF INFORMATION TO AUDITORS**

So far as each of the directors is aware at the time the report is approved:

- There is no relevant audit information of which the company's auditors are unaware, and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information to establish that the auditors are aware of that information.

**AUDITORS**

Ernst and Young LLP were appointed as auditors on 16 February 2009 and a resolution to re-appoint Ernst and Young LLP as auditors will be put to the members at the annual general meeting.

By order of the Board



R Robinson  
Director  
16 September 2009

**Evolution Homecare Services Limited**  
**Directors' responsibilities in the preparation of Financial Statements**

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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 proper accounting records which 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 1985. 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 AUDITORS' REPORT TO THE MEMBERS OF EVOLUTION HOMECARE SERVICES LIMITED**

We have audited the company's financial statements for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

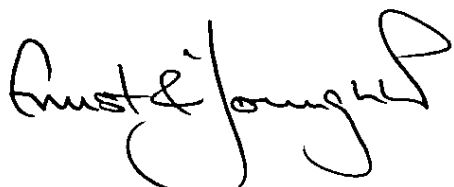
## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EVOLUTION HOMECARE SERVICES LIMITED (continued)**

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Ernst & Young LLP  
Registered Auditor  
Cambridge

18 September 2009



**Evolution Homecare Services Limited**  
**Profit and Loss Account**  
**for the year ended 31 December 2008**

	Notes	2008 £	2007 £
TURNOVER	1	3,372,048	-
Cost of sales		(3,188,465)	-
Gross profit		<u>183,583</u>	<u>-</u>
Operating expenses (net)		(1,553,827)	-
OPERATING LOSS		<u>(1,370,244)</u>	<u>-</u>
Interest payable	2	(4,000)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>(1,374,244)</u>	<u>-</u>
Taxation	5	375,619	-
RETAINED LOSS FOR THE YEAR		<u>(998,625)</u>	<u>-</u>

The operating loss for the year arises from the company's continuing operations.

There were no recognised gains or losses other than the loss of £998,625 attributable to the shareholders, for the year ended 31 December 2008 (2007 £nil).

**Evolution Homecare Services Limited**  
**Balance Sheet**  
**as at 31 December 2008**

	Notes	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	6	453,229	-
		<u>453,229</u>	<u>-</u>
<b>CURRENT ASSETS</b>			
Stocks	7	605,675	-
Debtors	8	3,724,435	100
		<u>4,330,110</u>	<u>100</u>
<b>CREDITORS: amounts falling due within one year</b>	9	5,081,864	-
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		<u>(751,754)</u>	<u>100</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(298,525)	100
<b>CREDITORS: amounts falling due after more than one year</b>	10	(700,000)	-
		<u>(998,525)</u>	<u>100</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	100	100
Profit and loss account	13	(998,625)	-
<b>SHAREHOLDERS' FUNDS</b>		<u>(998,525)</u>	<u>100</u>

Approved by the board of directors on 16 September 2009

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act relating to small entities.

*Joanna Shaw*

J Shaw  
Director

*R Robinson*

R Robinson  
Director

## **Evolution Homecare Services Limited**

### **Accounting Policies**

#### **BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom, and in accordance with the Companies Act 1985.

The financial statements have been prepared under the going concern basis. As described in the Directors' Report on page 3 the company is in the early stages of its development, is loss making and has net liabilities and therefore relies on parent company funding for liquidity. The parent company has agreed to provide sufficient funds to allow the company to meet its liabilities as they fall due for a period of at least twelve months from the date the accounts are approved. The directors therefore believe that the going concern basis is appropriate.

#### **TANGIBLE FIXED ASSETS**

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Leasehold Property	straight line over the life of the lease
IT Software	25% straight line
IT Hardware	25% straight line
Fixtures and Fittings	10% straight line

#### **STOCKS**

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

#### **DEFERRED TAXATION**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**Evolution Homecare Services Limited**  
**Accounting Policies (continued)**

**FOREIGN CURRENCIES**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

**LEASED ASSETS AND OBLIGATIONS**

Where assets are financed by leasing arrangements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interests elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the profit and loss on a straight line basis over the term of the lease.

**PENSION COSTS**

The company operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

**TURNOVER**

Turnover represents the invoiced value, net of value added tax, of goods and services provided to customers during the year. Turnover is generated from the UK.

**REVENUE RECOGNITION**

Revenue is recognised upon confirmation of a completed delivery.

**Evolution Homecare Services Limited****Notes to the financial statements for the year ended 31 December 2008****1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

The company's turnover and loss before taxation were all derived from its principal activity wholly undertaken in the United Kingdom.

**2 INTEREST PAYABLE**

	2008	2007
	£	£
Group interest	4,000	-
	<u>4,000</u>	<u>-</u>

**3 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2008	2007
	£	£
Loss on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets	4,091	-
Impairment of tangible fixed assets	259,752	
Operating lease rentals		
Land and Buildings	9,375	-
Auditors' remuneration – audit	<u>12,000</u>	<u>-</u>

**Evolution Homecare Services Limited**  
**Notes to the financial statements for the year ended 31 December 2008**  
**(continued)**

**4 EMPLOYEES**

	2008 No	2007 No
The average weekly number of persons (including directors) employed by the company during the year was:		
Sales and administration	<u>22</u>	<u>-</u>

	2008 £	2007 £
Staff costs for the above persons:		
Wages and salaries	378,236	-
Social security costs	32,872	-
Other pension costs	4,435	-
	<u>415,543</u>	<u>-</u>

	2008 £	2007 £
<b>DIRECTORS' REMUNERATION</b>		
Emoluments	183,797	-
Amounts paid to money purchase pension schemes	7,988	-
	<u>191,785</u>	<u>-</u>

	No	No
The number of directors to whom relevant benefits are accruing under money purchase (defined contribution) pension scheme was:	<u>2</u>	<u>-</u>

	£	£
Details of highest paid director's emoluments:		
Emoluments	108,428	-
Company contributions to defined contribution pension scheme	6,655	-
	<u>115,083</u>	<u>-</u>

**Evolution Homecare Services Limited**  
**Notes to the financial statements for the year ended 31 December 2008**  
**(continued)**

**5 TAXATION**

	2008 £	2007 £
UK corporation tax at 28.5% (2007 30%)	(310,922)	-
Deferred taxation:		
Origination and reversal of timing differences (note 11)	(64,697)	-
Tax credit on loss on ordinary activities	<u>(375,619)</u>	<u>-</u>
Factors affecting tax credit for the year:		
The tax assessed on the loss on ordinary activities is higher than (2007 equal to) the standard rate of corporate tax in the UK of 28.5% (2007 30%).		
Loss on ordinary activities before taxation	<u>(1,374,244)</u>	<u>-</u>
Loss before tax multiplied by the standard rate of tax	(391,659)	-
Effects of:		
Capital allowances less depreciation	65,954	-
Expenses not deductible for tax purposes	14,783	-
Current tax credit for period	<u>(310,922)</u>	<u>-</u>

**Evolution Homecare Services Limited**  
**Notes to the financial statements for the year ended 31 December 2008**  
**(continued)**

**6 TANGIBLE FIXED ASSETS**

	Assets Under Construction £	Fixtures and Fittings £	IT Software £	Total £
Cost:				
At 1 January 2008	-	-	-	-
Additions	384,770	73,883	258,419	717,072
At 31 December 2008	<u>384,770</u>	<u>73,883</u>	<u>258,419</u>	<u>717,072</u>
Depreciation:				
At 1 January 2008	-	-	-	-
Charge for the year	-	259	3,832	4,091
Impairment in the year	-	67,794	191,958	259,752
At 31 December 2008	<u>-</u>	<u>68,053</u>	<u>195,790</u>	<u>263,843</u>
Net Book Value:				
At 31 December 2008	<u>384,770</u>	<u>5,830</u>	<u>62,629</u>	<u>453,229</u>
At 1 January 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Additions includes £259,752 of assets transferred as part of the business transfer agreement. All of these transferred assets were impaired as not considered of long term use.

**7 STOCKS**

	2008 £	2007 £
Finished goods	605,675	-
	<u>605,675</u>	<u>-</u>



**Evolution Homecare Services Limited**  
**Notes to the financial statements for the year ended 31 December 2008**  
**(continued)**

**8 DEBTORS**

	2008 £	2007 £
Due within one year:		
Trade debtors	2,135,133	-
Amounts owed by group undertakings	872,160	100
Group relief receivable	310,922	
Other debtors	229,333	-
VAT receivable	104,164	-
Deferred Tax	64,697	-
Prepayments and accrued income	8,026	-
	<u>3,724,435</u>	<u>100</u>

**9 CREDITORS: Amounts falling due within one year**

	2008 £	2007 £
Bank overdraft	36,052	-
Trade creditors	2,160,205	-
Amounts owed to group undertakings	2,298,278	-
Other taxes and social security payable	31,872	-
Other creditors	1,677	-
Accruals and deferred income	553,780	-
	<u>5,081,864</u>	<u>-</u>

**10 CREDITORS: Amounts falling due after one year**

	2008 £	2007 £
Amounts owed to group undertakings	700,000	-
	<u>700,000</u>	<u>-</u>

**11 DEFERRED TAX**

	2008 £	2007 £
The movement on the deferred tax asset during the year is as follows:		
Profit and loss account	64,697	-
Balance carried forward	<u>64,697</u>	<u>-</u>

The deferred tax asset consists of the tax effect of timing differences in respect of:

Deferred capital allowances	64,697	-
	<u>64,697</u>	<u>-</u>

**Evolution Homecare Services Limited**  
**Notes to the financial statements for the year ended 31 December 2008**  
**(continued)**

**12 SHARE CAPITAL**

	2008	2007
	No.	No.
Authorised (Ordinary £1)	<u>100</u>	<u>100</u>
Issued (Ordinary £1)	<u>100</u>	<u>100</u>
	£	£
Authorised (Ordinary £1)	<u>100</u>	<u>100</u>
Issued (Ordinary £1)	<u>100</u>	<u>100</u>

**13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	Share Capital	Profit and loss account	Total
	£	£	£
Profit for the year	-	(998,625)	(998,625)
Net addition to shareholders' funds	-	(998,625)	(998,625)
Opening shareholders' funds	100	-	100
Closing shareholders' funds	<u>100</u>	<u>(998,625)</u>	<u>(998,525)</u>

**14 COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	2008	2007
	£	£
Land and Buildings		
Expiring in the second to fifth year	<u>50,000</u>	<u>-</u>
	<u>50,000</u>	<u>-</u>

**Evolution Homecare Services Limited**  
**Notes to the financial statements for the year ended 31 December 2008**  
**(continued)**

**15 PENSIONS**

The company operates a money purchase (defined contribution) pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge, representing contributions payable by the company to the fund, amounted to £4,197 (2007: £nil).

At 31 December 2008 there were outstanding contributions of £6,777 due to the pension scheme.

The company participates in the defined contribution group pension scheme operated by AAH Limited. The scheme is funded and constituted as an independently administered fund with its assets being held separately from those of the company.

**16 RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemptions contained in FRS 8, 'Related Party Disclosures' not to disclose transactions with its parent undertakings, fellow subsidiary undertakings or the associated undertakings of any group company on the grounds that it is a 100% owned subsidiary and the consolidated financial statements of Franz Haniel & Cie GmbH, of which it is a subsidiary, are publicly available.

**17 CAPITAL COMMITMENTS**

Amounts contracted to but not provided for in the financial statements amounted to £28,406 (2007 - £nil).

**18 ULTIMATE PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY**

The immediate parent undertaking is Admenta Holdings Limited (formerly AAH Subsidiaries Limited). The company's ultimate parent undertaking and controlling party is Franz Haniel & Cie GmbH, a company registered in Germany, by virtue of its majority shareholding in the intermediate parent Celesio AG and its consolidation of the Celesio AG Group results into its own consolidated financial statements.

Consolidated financial statements for the largest group of undertakings, which include the results of Evolution Homecare Services Limited, are prepared by Franz Haniel & Cie GmbH and may be obtained from Franz Haniel Platz 1, D-47119 Duisburg, Ruhrort, Germany.

Consolidated accounts for the smallest group of companies, which include the results of Evolution Homecare Services Limited, are prepared by Celesio AG and may be obtained from Celesio AG, Neckartalstrasse 155, D-70376 Stuttgart, Germany.