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Company Registration No. 01006953 (England and Wales)

PRESTIGE NURSING LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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PRESTIGE NURSING LTD

COMPANY INFORMATION

Directors	Mr J P Bruce Mrs P Bruce Mrs C L Hunt Ms D P Jared Mr R G Bruce
Secretary	Ms D P Jared
Company number	01006953
Registered office	Greenview House 5 Manor Road Wallington Surrey SM6 0BW
Auditor	Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW

PRESTIGE NURSING LTD

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PRESTIGE NURSING LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the strategic report for the year ended 31 December 2015.

Review of the business

It proved difficult to consolidate and build upon the sales success of 2014 as the acute under-funding in the UK's social care sector started to bite during 2015. Nearly three quarters of all Prestige's sales are from homecare services and whilst we continued to grow strongly within the private-pay sector, both the CCG and Social Service markets experienced significant downturns in spending, which more than offset gains elsewhere. However the company's focus on the more complex and premium private-pay homecare markets is starting to pay dividends and additional staff capacity will be released as we continue to run down any low-margin public sector contracts during the next 18 months.

Prestige continued to roll out call-monitoring technology both to deliver better levels of service to clients and to reduce transaction costs and adoption levels continues to grow pleasingly during the year. Further investment was made in new mapping and route planning technology to ensure the most efficient usage of our members' time in line with minimum pay guidelines, whilst the roll out of a new customer website went ahead as planned.

The acquisition of Positive Options Homecare Ltd took place in July 2015, bringing the number of branches the group has in Scotland to five. This business, which serves the Kirkcaldy area, will fall under the Elite brand and will focus on growing private-pay business in line with the rest of the UK. No further acquisitions are planned, other than purchases of existing franchise operations as and when the need arises.

Key performance indicators

Group results for 2015 showed an increase in turnover of 8% and gross profit of 4%. Operating profit fell by 6%. Group EBITDA fell from £1.1 million in 2014 to £874k in 2015.

The group's financial position remains strong and debt free. In 2015 the cash decreased by £922k resulting in a year-end balance of £374k. The decrease was due to just over £1m being spent on the acquisitions of Elite Care (Scotland) Ltd on 9 March 2015 and Positive Options Homecare Ltd on 31 July 2015.

The Directors are expecting another challenging year in 2016.

On behalf of the board

Diane Jared

Ms D P Jared
Director
28 September 2016

PRESTIGE NURSING LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and financial statements for the year ended 31 December 2015.

Principal activities
The principal activity of the company and group continued to be that of service of care to the elderly.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr J P Bruce
Mrs P Bruce
Mrs C L Hunt
Ms D P Jared
Mr R G Bruce

Results and dividends
The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £300,000. The directors do not recommend payment of a further dividend.

Auditor
The auditor, Jacob Cavenagh & Skeet, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities
The directors are responsible for preparing the Annual 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 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 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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

On behalf of the board

Diane Jared

Ms D P Jared
Director
28 September 2016

PRESTIGE NURSING LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PRESTIGE NURSING LTD

We have audited the financial statements of Prestige Nursing Ltd for the year ended 31 December 2015 set out on pages 6 to 29. The financial reporting framework that has been applied in their preparation 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".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 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 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 auditor
As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 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 and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
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 group's and the parent 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. 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.

Opinion on financial statements
In our opinion the financial statements:
- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2015 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.

Opinion on other 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 for which the financial statements are prepared is consistent with the financial statements.

PRESTIGE NURSING LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PRESTIGE NURSING LTD

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Paul Newton FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet

28 September 2016

Chartered Accountants
Statutory Auditor

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

PRESTIGE NURSING LTD

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover		**27,090,046**	25,044,729
Cost of sales		**(20,157,128)**	(18,383,340)
Gross profit		**6,932,918**	6,661,389
Administrative expenses		**(6,620,609)**	(5,886,022)
Operating profit	3	**312,309**	775,367
Interest receivable and similar income	7	**4,062**	5,863
Profit before taxation		**316,371**	781,230
Taxation	8	**(84,234)**	(166,691)
Profit for the financial year	20	**232,137**	614,539

The profit and loss account has been prepared on the basis that all operations are continuing operations.

PRESTIGE NURSING LTD

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 £	2014 £
Profit for the year	**232,137**	614,539
Other comprehensive income	**-**	-
Total comprehensive income for the year	**232,137**	614,539

Total comprehensive income for the year is all attributable to the owners of the parent company.

PRESTIGE NURSING LTD

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Goodwill	10		1,240,817		552,111
Tangible assets	11		261,923		323,695
			1,502,740		875,806
Current assets					
Debtors	15	3,724,894		3,388,500	
Cash at bank and in hand		374,095		1,296,088	
		4,098,989		4,684,588	
Creditors: amounts falling due within one year	16	(2,516,448)		(2,394,858)	
Net current assets			1,582,541		2,289,730
Total assets less current liabilities			3,085,281		3,165,536
Provisions for liabilities	17		(35,649)		(48,041)
Net assets			3,049,632		3,117,495
Capital and reserves					
Called up share capital	19		10,000		10,000
Profit and loss reserves	20		3,039,632		3,107,495
Total equity			3,049,632		3,117,495

The financial statements were approved by the board of directors and authorised for issue on 28 September 2016 and are signed on its behalf by:

Mr J P Bruce
Director

PRESTIGE NURSING LTD

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Goodwill	10		326,014		552,111
Tangible assets	11		225,321		304,506
Investments	12		1,128,163		502
			1,679,498		857,119
Current assets					
Debtors	15	3,218,209		3,286,478	
Cash at bank and in hand		167,796		1,291,088	
		3,386,005		4,577,566	
Creditors: amounts falling due within one year	16	(2,038,274)		(2,286,503)	
Net current assets			1,347,731		2,291,063
Total assets less current liabilities			3,027,229		3,148,182
Provisions for liabilities	17		(29,429)		(44,203)
Net assets			2,997,800		3,103,979
Capital and reserves					
Called up share capital	19		10,000		10,000
Profit and loss reserves	20		2,987,800		3,093,979
Total equity			2,997,800		3,103,979

The financial statements were approved by the board of directors and authorised for issue on 28 September 2016 and are signed on its behalf by:

Mr J P Bruce
Director

Company Registration No. 01006953

PRESTIGE NURSING LTD

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 January 2014		10,000	2,742,956	2,752,956
Year ended 31 December 2014:				
Profit and total comprehensive income for the year		-	614,539	614,539
Dividends	9	-	(250,000)	(250,000)
Balance at 31 December 2014		10,000	3,107,495	3,117,495
Year ended 31 December 2015:				
Profit and total comprehensive income for the year		**-**	**232,137**	**232,137**
Dividends	9	**-**	**(300,000)**	**(300,000)**
Balance at 31 December 2015		**10,000**	**3,039,632**	**3,049,632**

PRESTIGE NURSING LTD

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 January 2014		10,000	2,727,213	2,737,213
Year ended 31 December 2014:				
Profit and total comprehensive income for the year		-	616,766	616,766
Dividends	9	-	(250,000)	(250,000)
Balance at 31 December 2014		10,000	3,093,979	3,103,979
Year ended 31 December 2015:				
Profit and total comprehensive income for the year		**-**	**193,821**	**193,821**
Dividends	**9**	**-**	**(300,000)**	**(300,000)**
Balance at 31 December 2015		**10,000**	**2,987,800**	**2,997,800**

PRESTIGE NURSING LTD

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Cash flows from operating activities					
Cash generated from operations	**24**		**408,872**		1,514,020
Income taxes paid			**(211,341)**		(129,649)
Net cash inflow from operating activities			**197,531**		1,384,371
Investing activities					
Purchase of intangible assets		**(17,500)**		(310,000)	
Purchase of tangible fixed assets		**(109,731)**		(251,074)	
Proceeds on disposal of tangible fixed assets		**5,264**		-	
Purchase of subsidiaries		**(1,001,619)**		-	
Proceeds from other investments and loans		**10,000**		(10,000)	
Interest received		**4,062**		5,863	
Net cash used in investing activities			**(1,109,524)**		(565,211)
Financing activities					
Dividends paid to equity shareholders		**(10,000)**		(250,000)	
Net cash used in financing activities			**(10,000)**		(250,000)
Net (decrease)/increase in cash and cash equivalents			**(921,993)**		569,160
Cash and cash equivalents at beginning of year			**1,296,088**		726,928
Cash and cash equivalents at end of year			**374,095**		1,296,088

1 Accounting policies

Company information

Prestige Nursing Ltd ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Greenview House, 5 Manor Road, Wallington, Surrey, SM6 0BW.

The group consists of Prestige Nursing Ltd and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These group and company financial statements for the year ended 31 December 2015 are the first financial statements of Prestige Nursing Ltd and the group prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £193,821 (2014 - £616,766 profit).

1 Accounting policies **(Continued)**

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Prestige Nursing Ltd and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2015. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Elite Care (Scotland) Limited and Positive Options Homecare Limited have been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of the companies for the period from acquisition. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1 Accounting policies **(Continued)**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.5 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 5 years. Goodwill arising on consolidation is amortised over its useful economic life of 5 years, on a straight line basis.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	over the lease period on a straight line basis
Furniture & equipment	over 5 years on a straight line basis
Office equipment	over 3 years on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1 Accounting policies **(Continued)**

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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 profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies **(Continued)**

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies (Continued)

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Operating profit

	2015	2014
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	**168,491**	124,188
Profit on disposal of tangible fixed assets	**10,380**	10,744
Amortisation of intangible assets	**393,177**	214,886
Operating lease charges	**433,460**	386,171

4 Auditor's remuneration

Fees payable to the company's auditor and associates:	2015 £	2014 £
For audit services		
Audit of the financial statements of the group and company	**13,340**	12,950
Audit of the company's subsidiaries	**3,430**	900
	16,770	13,850
For other services		
Taxation compliance services	**2,000**	1,000
All other non-audit services	**9,940**	4,700
	11,940	5,700

5 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2015 Number	2014 Number
Office staff	**229**	224
Nurses and carers	**2,277**	1,988
	2,506	2,212

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	**21,825,744**	19,898,979
Social security costs	**1,555,039**	1,437,695
Pension costs	**148,162**	171,632
	23,528,944	21,508,306

6 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	**397,372**	474,896
Company pension contributions to defined contribution schemes	**103,250**	131,335
	500,622	606,231

6 Directors' remuneration (Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2014 - 3).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	**133,077**	218,675
Company pension contributions to defined contribution schemes	**38,400**	38,400

7 Interest receivable and similar income

	2015	2014
	£	£
Interest income		
Interest on bank deposits	**4,062**	5,863

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	**4,062**	5,863

8 Taxation

	2015	2014
	£	£
Current tax		
UK corporation tax on profits for the current period	**96,795**	140,044
Deferred tax		
Origination and reversal of timing differences	**(12,561)**	26,647
Total tax charge	**84,234**	166,691

8 Taxation **(Continued)**

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2015	2014
	£	£
Profit before taxation	**316,371**	781,230
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 20.00%)	**63,274**	156,246
Tax effect of expenses that are not deductible in determining taxable profit	**38,614**	4,222
Change in unrecognised deferred tax assets	**(12,561)**	26,647
Permanent capital allowances in excess of depreciation	**13,070**	(23,753)
Under/(over) provided in prior years	**(2,467)**	(20)
Tax at marginal rate	**1,499**	8,786
Pre-acquisition trading	**(17,195)**	-
Transition adjustments	**-**	(5,437)
Tax expense for the year	**84,234**	166,691

9 Dividends

	2015	2014
	£	£
Interim paid	**300,000**	250,000

10 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 January 2015	**1,643,348**
Additions - separately acquired	**1,081,883**
At 31 December 2015	**2,725,231**
Amortisation and impairment	
At 1 January 2015	**1,091,237**
Amortisation charged for the year	**393,177**
At 31 December 2015	**1,484,414**

10 Intangible fixed assets **(Continued)**

Carrying amount	
At 31 December 2015	**1,240,817**
At 31 December 2014	552,111

Company	Goodwill
	£
Cost	
At 1 January 2015	**1,643,348**
Additions - separately acquired	**17,500**
At 31 December 2015	**1,660,848**
Amortisation and impairment	
At 1 January 2015	**1,091,237**
Amortisation charged for the year	**243,597**
At 31 December 2015	**1,334,834**
Carrying amount	
At 31 December 2015	**326,014**
At 31 December 2014	552,111

11 Tangible fixed assets

Group	Leasehold improvements	Furniture & equipment	Office equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2015	257,545	143,419	589,629	-	990,593
Additions	16,907	14,577	78,247	-	109,731
Business combinations	38,883	-	93,497	10,050	142,430
Disposals	(41,878)	(2,863)	(122,033)	(10,050)	(176,824)
At 31 December 2015	271,457	155,133	639,340	-	1,065,930
Depreciation and impairment					
At 1 January 2015	173,927	93,674	399,297	-	666,898
Depreciation charged in the year	41,760	15,764	108,984	1,983	168,491
Business combinations	38,868	-	88,418	2,512	129,798
Eliminated in respect of disposals	(41,863)	(2,666)	(112,156)	(4,495)	(161,180)
At 31 December 2015	212,692	106,772	484,543	-	804,007
Carrying amount					
At 31 December 2015	58,765	48,361	154,797	-	261,923
At 31 December 2014	83,618	49,745	190,332	-	323,695

Company	Leasehold improvements	Furniture & equipment	Office equipment	Total
	£	£	£	£
Cost				
At 1 January 2015	257,545	143,419	564,677	965,641
Additions	16,907	12,257	48,521	77,685
Disposals	(2,995)	(2,863)	(32,372)	(38,230)
At 31 December 2015	271,457	152,813	580,826	1,005,096
Depreciation and impairment				
At 1 January 2015	173,927	93,674	393,534	661,135
Depreciation charged in the year	41,760	15,599	92,434	149,793
Eliminated in respect of disposals	(2,995)	(2,666)	(25,492)	(31,153)
At 31 December 2015	212,692	106,607	460,476	779,775
Carrying amount				
At 31 December 2015	58,765	46,206	120,350	225,321
At 31 December 2014	83,618	49,745	171,143	304,506

12 Fixed asset investments

		Group		Company	
		2015	**2014**	**2015**	**2014**
	Notes	**£**	**£**	**£**	**£**
Investments in subsidiaries	**13**	-	-	**1,128,163**	502

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency		**Nature of business**	**Class of shareholding**	**% Held Direct**	**Indirect**
Prestige Nursing (Franchise) Ltd	England and Wales	Running a franchise operation	Ordinary	100.00	
Prestige Medical Recruitment Ltd	England and Wales	Dormant	Ordinary	100.00	
Elite Care (Scotland) Ltd	Scotland	Care services for the elderly	Ordinary	100.00	
Positive Options Homecare Ltd	Scotland	Care services for the elderly	Ordinary	100.00	

14 Financial instruments

	Group		Company	
	2015	**2014**	**2015**	**2014**
	£	**£**	**£**	**£**
Carrying amount of financial assets				
Debt instruments measured at amortised cost	**3,392,443**	3,166,855	**2,897,548**	3,070,569
Equity instruments measured at cost less impairment	-	-	**1,128,163**	502
Carrying amount of financial liabilities				
Measured at amortised cost	**1,587,251**	1,578,767	**1,338,182**	1,572,186

15 Debtors

	Group		Company	
	2015	**2014**	**2015**	**2014**
Amounts falling due within one year:	**£**	**£**	**£**	**£**
Trade debtors	**3,088,349**	2,810,369	**2,395,764**	2,634,372
Unpaid share capital	**100**	100	-	-
Corporation tax recoverable	**50,014**	16,193	**50,014**	16,193
Amounts due from subsidiary undertakings	-	-	**216,601**	79,811
Other debtors	**304,023**	356,386	**285,183**	356,386
Prepayments and accrued income	**282,408**	205,452	**270,647**	199,716
	3,724,894	3,388,500	**3,218,209**	3,286,478

16 Creditors: amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	**198,713**	142,932	**181,566**	141,726
Corporation tax payable	**131,386**	140,064	-	38,290
Other taxation and social security	**797,811**	676,027	**700,092**	676,027
Dividends payable	**290,000**	-	**290,000**	-
Other creditors	**840,701**	1,073,910	**625,817**	1,073,910
Accruals and deferred income	**257,837**	361,925	**240,799**	356,550
	2,516,448	2,394,858	**2,038,274**	2,286,503

17 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities
	2015	2014
Group	£	£
Accelerated capital allowances	**35,649**	48,041

	Liabilities	Liabilities
	2015	2014
Company	£	£
Accelerated capital allowances	**29,429**	44,203

	Group	Company
	2015	2015
Movements in the year:	£	£
Liability at 1 January 2015	**48,041**	**44,203**
Credit to profit or loss	**(12,392)**	**(14,774)**
Liability at 31 December 2015	**35,649**	**29,429**

The deferred tax liability set out above relates to accelerated capital allowances that are expected to reverse within 2 years.

18 Retirement benefit schemes

	2015	2014
Defined contribution schemes	**£**	**£**
Charge to profit or loss in respect of defined contribution schemes	**148,162**	171,632

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

19 Share capital

	Group and company	
	2015	**2014**
Ordinary share capital	**£**	**£**
Issued and fully paid		
10,000 Ordinary shares of £1 each	**10,000**	10,000

20 Reserves

	Group		Company	
	2015	**2014**	**2015**	**2014**
	£	**£**	**£**	**£**
At the beginning of the year	**3,107,495**	2,742,956	**3,093,979**	2,727,213
Loss for the year	**232,137**	614,539	**193,821**	616,766
Dividends	**(300,000)**	(250,000)	**(300,000)**	(250,000)
At the end of the year	**3,039,632**	3,107,495	**2,987,800**	3,093,979

21 Acquisitions

On 9 March 2015 the group acquired 100% of the issued capital of Elite Care (Scotland) Ltd.

	Book Value	Fair Value
	£	**£**
Property, plant and equipment	11,794	11,794
Trade and other receivables	280,161	280,161
Cash and cash equivalents	288,880	288,880
Trade and other payables	367,387	367,387
		213,448
Goodwill		913,212
Total consideration		1,126,660

21 Acquisitions **(Continued)**

The consideration was satisfied by:	£
Cash	900,000
Deferred consideration	226,660
	1,126,660

Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:	£
Turnover	**2,358,394**
Profit after tax	**38,170**

The goodwill arising on the acquisition of the business is attributable to the anticipated profitability of the group's operations in new markets and the future operating synergies from the combination.

On 31 July 2015 the group acquired 100% of the issued capital of Positive Options Homecare Ltd.

	Book Value	**Fair Value**
	£	**£**
Intangible assets	843	843
Trade and other receivables	65,929	65,929
Cash and cash equivalents	26,162	26,162
Trade and other payables	53,936	53,936
Deferred tax	169	169
		38,829
Goodwill		151,171
Total consideration		190,000

The consideration was satisfied by:	£
Cash	190,000

Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:	£
Turnover	-
Profit after tax	-

The goodwill arising on the acquisition of the business is attributable to the anticipated profitability of the group's operations in new markets and the future operating synergies from the combination.

22 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the group for certain of its properties and equipment. Property leases are negotiated for an average term of six years and rentals are fixed for an average of four years with an option to extend for a further two years at the prevailing market rate. Equipment leases predominantly relate to motor vehicles with an average term of three years.

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2015	2014	Company 2015	2014
	£	£	£	£
Within one year	**241,857**	441,036	**217,917**	441,036
Between two and five years	**181,108**	245,065	**129,642**	245,065
	422,965	686,101	**347,559**	686,101

23 Directors' transactions

Interest free loans have been granted by the group to its directors as follows:

Description	% Rate	Opening Balance	Amounts Advanced	Interest Charged	Amounts Repaid	Closing Balance
		£	£	£	£	£
Director's loan	-	**110,000**	-	-	**(10,000)**	**100,000**
		110,000	-	-	**(10,000)**	**100,000**

24 Cash generated from operations

	2015	2014
	£	£
Profit for the year after tax	**232,137**	614,539
Adjustments for:		
Taxation charged	**84,234**	166,691
Investment income	**(4,062)**	(5,863)
Loss on disposal of tangible fixed assets	**10,381**	10,744
Amortisation and impairment of intangible assets	**393,177**	214,886
Depreciation and impairment of tangible fixed assets	**168,491**	124,188
Movements in working capital:		
Decrease in debtors	**33,519**	51,132
(Decrease)/increase in creditors	**(509,005)**	337,703
Cash generated from operations	**408,872**	1,514,020