Registered Number 01488490

PPP TAKING CARE LIMITED

Annual Financial Report

For the year ended 31 December 2017

Registered Office: 5 Old Broad Street, London EC2N 1AD

Registered Number 01488490

PPP Taking Care Limited

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Registered Number 01488490

PPP Taking Care Limited

Company Information

Directors

W. B. Darling
K. G. Gibbs
M. R. Howes
R. Turner
A. Wilkinson

Company Secretary

J. P. Small

Independent Auditor

Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

PPP Taking Care Limited

Strategic Report

The Directors present their Strategic Report for PPP Taking Care Limited ("the Company") for the year ended 31 December 2017.

REVIEW OF THE BUSINESS

The Company's principal activity is the marketing, rental, installation, monitoring and maintenance of telecare systems for the elderly. The customers are individuals diagnosed with a physical disability or chronic condition, who use the alarm service for peace of mind and the continued freedom to live in their own homes.

The Company is an accredited member of the Telecare Services Association ("TSA") which sets the TSA Telecare Code of Practice, ensuring that members are quality accredited to operate at a high standard and consistently adhere to best practice. The Company is inspected annually by TSA and met compliance at the latest inspection.

The Company holds ISO 9001 accreditation, which is a quality management certification for organisations who want to prove their ability to consistently provide products and services that meet the needs of their customers and other relevant stakeholders.

On 3 April 2017, the Company changed its name from Aid-Call Limited to PPP Taking Care Limited, to enhance alignment with the wider business strategy.

Results and performance

Trading performance has remained largely stable, with turnover of £9,592k for the financial year ended 31 December 2017 (£7,206k for the 9-month financial period ended 31 December 2016), despite lower sales units (11,398 for the financial year ended 31 December 2017 and 9,330 for the 9-month financial period ended 31 December 2016). The Company made significant investment in its infrastructure and proposition during the year to support planned future growth

Business environment

With the aged population currently at its highest level, the need for telecare systems is growing.

Strategy

The Company continuously strives to improve the quality and efficiency of service to customers, by ensuring that processes are customer centric to meet the needs of customers.

Key performance indicators ("KPIs")

The Board monitors the progress of the Company by reference to the following KPIs:

	31 December 2017 (12 months) £'000	31 December 2016 (9 months) restated £'000
Profit on ordinary activities before taxation	**447**	148
Turnover	**9,592**	7,206
Current ratio (current assets to current liabilities)	**1.0**	0.9

PPP Taking Care Limited

Strategic Report (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The AXA UK Group has an established process for risk acceptance and risk management, which is addressed through a framework of policies, procedures and internal controls. All policies are subject to ongoing review by management, risk management and group internal audit. Compliance with regulation, legal and ethical standards is a high priority for the Company and the compliance and finance teams take on an important oversight role in this regard. Line management is responsible for maintaining an internal control framework to manage financial and operational risks, which is monitored regularly to ensure the completeness, accuracy and integrity of the Company's financial information.

The principal risk facing the Company is any threat to the maintenance and prompt responsiveness of the personal alarm service. To mitigate this, monitoring of the end to end process for services, including IT support and infrastructure is maintained, to ensure that customers do not experience any degradation or disruption in services.

Financial risk management is discussed in the Management of Financial Risk note on page 17.

FUTURE DEVELOPMENTS

The Company continuously strives to improve the quality and efficiency of service to customers and maintains its TSA and ISO 9001 compliance.

The Company has identified a number of projects to deliver a more digitalised front and back end to enhance the customer journey, increase efficiency and expand the service to customers.

The directors believe that the Company is well placed in terms of strategic and market position to continue generating growth.

Signed on behalf of the Board by

A.Wilkinson
Director
12 June 2018

PPP Taking Care Limited

Directors' Report

The Directors present their report and the audited financial statements for the Company for the year ended 31 December 2017.

FUTURE DEVELOPMENTS

Future developments are discussed in the Strategic Report.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The ability to cope with unexpected risks to the financial position is shown within the Management of Financial Risk note on page 17.

Detailed budgets, plans and forecasts have been prepared and reviewed setting out the continued financial position of the Company for the next 12 months and a strategic plan to 2020. As a consequence, the directors believe sufficient contingencies have been put in place that will enable the Company to manage its business risks and to continue in operational existence for the foreseeable future.

In order to support the current position of the Company and ensure its continued operation, the directors have obtained assurances on the continued financial support of the Company from AXA UK plc in the form of a letter of support.

DIVIDENDS

The directors do not recommend the payment of a dividend for the year ended 31 December 2017 (£nil for the 9-month financial period ended 31 December 2016).

DIRECTORS

The directors of the Company who were in office during the year and up to the date of signing the financial statements are shown on page 1. The directors who have served for part of the year are given below:

A. Wilkinson was appointed as a director of the Company on 27 January 2017.
L. Hallam resigned as a director of the Company on 7 March 2017.
S. J. Harland was appointed as Amber Wilkinson's alternate director and as a director of the Company on 4 May 2017 and ceased to act on 9 April 2018.

Directors' qualifying third party and pension scheme indemnity provisions

The Company is party to a group wide indemnity policy which benefits all of its current directors and is a qualifying third party indemnity provision for the purpose of the Companies Act 2006.

The indemnification was in force during the year and at the date of approval of the financial statements.

PPP Taking Care Limited

Directors' Report (continued)

EMPLOYEES

The Company is committed to a policy of equal opportunity in recruitment, training, career development and promotion of staff, irrespective of gender, marital status, ethnicity, sexual orientation and religion. Full and fair consideration is also given to disabled persons, including the rehabilitation and retention of staff who become disabled, having regard to their particular aptitudes and abilities.

Great importance is placed on good communication with employees and in seeking to inform and involve staff in the development of the AXA UK Group operations and in the achievement of the global business goals.

A full range of written, audio, video and regular face-to-face communications, including team briefings, regular appraisals, company news briefings and various bulletins is used. Regular consultation is maintained with independent and certified trade unions on the complete range of employment and business issues.

BRANCHES OUTSIDE THE UK

The Company does not operate branches outside the UK.

RESEARCH AND DEVELOPMENT

There are no research and development projects underway.

POLITICAL DONATIONS

The Company made no donations for political purposes.

POST BALANCE SHEET EVENTS

The Company has no post balance sheet events which require disclosure.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR

Each director in office at the date the Directors' Report is approved confirms that:

a) so far as he/she is aware, there is no relevant audit information of which the Company's auditor is unaware; and

b) he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

PPP Taking Care Limited

Directors' Report (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 101 'Reduced Disclosure Framework' ("FRS 101").

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;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the 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.

Signed on behalf of the Board by

A.Wilkinson
Director
12 June 2018

PPP Taking Care Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PPP TAKING CARE LIMITED

Opinion

We have audited the financial statements of PPP Taking Care Limited ('the Company') for the year ended 31 December 2017 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of the audit report

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 as a body 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

PPP Taking Care Limited

Independent Auditor's Report (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Financial Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

PPP Taking Care Limited

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Sam Porritt (Senior Statutory Auditor)

for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London E1W 1DD

12 June 2018

Registered Number 01488490

PPP Taking Care Limited

Profit and Loss Account
for the year ended 31 December 2017

	Note	**31 December 2017 (12 months) £'000**	31 December 2016 (9 months) restated* £'000
Turnover	**3**	**9,592**	7,206
Cost of sales		**(2,138)**	(2,182)
Gross profit		**7,454**	5,024
Administrative expenses		**(7,058)**	(4,803)
Other operating income		**221**	10
Operating profit	**4**	**617**	231
Interest receivable and similar income	**8**	**2**	2
Interest payable and similar charges	**8**	**(172)**	(85)
Profit on ordinary activities before taxation		**447**	148
Tax on profit on ordinary activities	**9**	**(150)**	68
Profit for the financial year		**297**	216

* Certain amounts shown above do not correspond to the 2016 financial statements and reflect adjustments made, refer to Note 19.

The transactions above derive from continuing activities.

The Company had no recognised gains or losses during the financial year ended 31 December 2017 other than those recognised in the Profit and Loss Account (9-month financial period ended 31 December 2016: £nil). Therefore, the Company has elected not to present a Statement of Comprehensive Income for the year ended 31 December 2017.

The information on pages 13 to 25 forms an integral part of these financial statements.

Registered Number 01488490

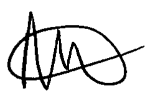
PPP Taking Care Limited

Balance Sheet
as at 31 December 2017

	Note	31 December 2017 (12 months) £'000	31 December 2016 (9 months) restated* £'000
Fixed assets			
Land and buildings	10	959	981
Plant and equipment	11	2,060	2,091
		3,019	3,072
Current assets			
Stock	12	113	128
Debtors	13	1,267	1,022
Cash at bank and in hand		3,383	2,234
		4,763	3,384
Creditors: amounts falling due within one year	15	(4,925)	(3,835)
Net current liabilities		(162)	(451)
Total assets less current liabilities		2,857	2,621
Creditors: amounts falling due after more than one year	16	(1,181)	(1,531)
Provisions for liabilities	17	(1,764)	(1,475)
Net liabilities		(88)	(385)
Capital and reserves			
Called up share capital	18	151	151
Profit and loss account	19	(239)	(536)
Total shareholders' deficit		(88)	(385)

* Certain amounts shown above do not correspond to the 2016 financial statements and reflect adjustments made, refer to Note 19.

The financial statements on pages 10 to 25 were approved and authorised for issue by the Board of Directors on 12 June 2018 and were signed on its behalf by



A.Wilkinson
Director

PPP Taking Care Limited

Statement of Changes in Equity
for the year ended 31 December 2017

	Called up share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2017 - restated	151	(536)	(385)
Profit for the financial year and total comprehensive income	-	297	297
Balance at 31 December 2017	**151**	**(239)**	**(88)**

Restated*	Called up share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 April 2016	151	314	465
Profit for the financial period and total comprehensive income	-	216	216
Current tax credit		266	266
Gift Aid	-	(1,332)	(1,332)
Balance at 31 December 2016	151	(536)	(385)

* Certain amounts shown above do not correspond to the 2016 financial statements and reflect adjustments made, refer to Note 19.

The information on pages 13 to 25 forms an integral part of these financial statements.

PPP Taking Care Limited

Notes to the Financial Statements
as at 31 December 2017

General Information

The Company addresses all aspects of the provision of telecare systems to individuals with increased medical risk, who wish to continue residing in their own homes.

The Company is a private limited company limited by shares under the Companies Act 2006 and is incorporated and domiciled in the UK. The address of its registered office is 5 Old Broad Street, London, EC2N 1AD.

1. Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

I. Basis of presentation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The financial statements have been prepared on a going concern basis under the historical cost convention, and in accordance with the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires management to monitor and exercise judgment in the selection and application of appropriate accounting policies and in the use of accounting estimates. Those areas that could have a significant impact to the financial statements are set out in accounting policy XI.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

a) The requirements of IFRS 7 'Financial Instruments: Disclosures'.

b) The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
   (i) paragraph 79(a)(iv) of IAS 1; and
   (ii) paragraph 73(e) of IAS 16 'Property, Plant and Equipment'.

c) The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 'Presentation of Financial Statements'.

d) The requirements of IAS 7 'Statement of Cash Flows'.

e) The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

f) The requirements of paragraph 17 and 18A of IAS 24 'Related Party Disclosures'.

g) The requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

h) The requirements of paragraph 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135 (c) to 135 (e) of IAS 36 'Impairment of Assets', provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

II. Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year, with the exception of those amendments to accounting standards, effective for periods beginning on or after 1 January 2017. The amendments and interpretations had no impact on the Company's financial statements.

III. Turnover

Turnover represents the fair value of the consideration receivable for goods supplied and services provided, excluding VAT and trade discounts. Non-refundable warranty and monitoring fees in respect of equipment are recognised in the period to which it relates.

IV. Land and buildings

Land and buildings consists of property partially occupied by the Company and partially leased to the previous parent entity under an operating lease. Land and buildings are stated at historical cost less accumulated depreciation and an allowance for impairment, where appropriate. Historical cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Buildings are depreciated using the straight line method on the basis of their expected useful lives, up to a maximum of 20 years.

Leasehold improvements relate to refurbishment and fit out of operational property, currently depreciated using the straight line method at 10% per annum.

V. Plant and equipment

Plant and equipment are stated at historic purchase cost less accumulated depreciation less accumulated impairment losses, where applicable. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Major items of equipment and software development are capitalised and depreciated over their expected useful lives after taking into account their anticipated residual value. All other items of equipment are written off in the year of purchase.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Monitoring equipment	over the term of the finance lease
Other equipment	10% to 33% per annum/over period of contract

VI. Leases

Operating lease – lessor

Leases are classified as operating leases where a significant proportion of the risks and rewards of ownership of the asset concerned are retained by the lessor. The rental income and costs relating to operating leases are credited or charged to the Profit and Loss Account on a straight-line basis over the term of the lease.

Operating lease – lessee

Leases are classified as operating leases where a significant proportion of the risks and rewards of ownership of the asset concerned are retained by the lessor. Payments made under operating leases, less any incentives received from the lessor, are charged to the Profit and Loss Account on a straight line basis over the lease term.

VI. Leases (continued)

Finance lease – lessee

The Company leases personal alarm units under a finance lease, whereby the Company retains substantially all the risks and rewards of ownership.

Finance leases are capitalised on the lease commencement date at the lower of the fair value of the leased property and the present value of the minimum lease payments. Assets acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term. Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in creditors less than twelve months and greater than twelve months. The interest element of the finance cost is charged to the Profit and Loss Account over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

VII. Stock

Stock is stated at the lower of cost or net realisable value, after provision for obsolete items. Cost represents the purchase price.

VIII. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

IX. 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 on 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference raises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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.

PPP Taking Care Limited

Notes to the Financial Statements (continued)
as at 31 December 2017

IX. Taxation (continued)

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 based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

X. Pension scheme

The Company operates a defined contribution scheme that is available to all employees. Under a defined contribution scheme, the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Employees also contribute to the defined contribution scheme.

The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

XI. Critical accounting estimates and judgements in applying accounting policy

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas that the directors consider particularly susceptible to changes in estimates and assumptions are detailed below:

a) Deferred taxation

The carrying value at the reporting date of the net deferred tax asset is £435k (31 December 2016: £398k), further details of which are disclosed in accounting policy IX and note 14. Significant management judgement is applied to determine the deferred tax asset that can be recognised and is based on the probability of future taxable profits.

b) Provisions

The carrying value at the reporting date of the liability for provisions is £1,764k (31 December 2016: £1,475k), The judgements, estimates and assumptions employed in the assessment of the adequacy of these provisions are set out in the accounting policy VIII and note 17.

2. Management of financial risk

The Company is exposed to financial risk through its business operations affecting the financial assets and liabilities. The most important components of this risk given the nature of the Company's operations are credit, liquidity and cash flow risks.

The Company forms part of the AXA UK Group which has an established risk management framework on how each risk profile is identified, measured, monitored and controlled through Risk Committees advising the individual business unit Chief Executives.

A dedicated risk management function supports the individual business units by ensuring that a full understanding and control of risks is incorporated into management decision making and procedures.

The risk policies are documented in adherence to the AXA Group Standards issued by AXA Group Risk Management ("GRM"). The AXA UK Board is responsible for governance and the AXA UK Executive Committee for approving all new policies.

The notes that follow address the individual components of financial risk.

Credit risk

Credit risk can be defined as the risk of capital or income loss resulting from counterparty default.

Items which generate credit risk generally arise as a by-product of the Company's operations and other operational debts. Investment of cash surpluses are made through banks which must fulfil credit rating criteria approved by the board. Receivables balances are monitored on an on-going basis and provision is made for doubtful debts where necessary.

Liquidity and cash flow risk

Liquidity or cash flow risk is defined as the risk that the Company may not have sufficient available cash (or near cash assets or funding facilities) to pay obligations when they fall due at reasonable cost.

A robust working capital management environment is encouraged by ensuring there are appropriate funding arrangements from the parent group and overdraft facilities, backed up by shorter-term, regular cash flow forecasting.

3. Turnover

The total turnover of the Company for the period has been derived from its principal activity wholly undertaken in the UK.

4. Operating profit

Operating profit is stated after charging:

	31 December 2017 (12 months) £'000	31 December 2016 (9 months) £'000
Cost of stock recognised as an expense	**296**	216
Impairment of trade debtors	**34**	33
Depreciation	**799**	546
Operating lease expense	**50**	40

5. Staff costs

	31 December 2017 (12 months) £'000	31 December 2016 (9 months) £'000
Wages and salaries	**3,914**	2,314
Social security costs	**283**	164
Pension costs	**234**	137
Total	**4,431**	2,615

The average monthly number of employees during the year was as follows:

	31 December 2017 (12 months) Number	31 December 2016 (9 months) Number
Production/sales	**38**	33
Administration	**100**	76
Total	**138**	109

6. Gift Aid

Under an agreement with the previous parent entity, Age UK, profits chargeable to corporation tax were gift aided to Age UK. Gift Aid is £nil for the 12-month financial year ended 31 December 2017 (£1,332k for the 9-month financial period ended 31 December 2016).

7. Auditor's remuneration

During the year the Company obtained the following services from the Company's auditor at costs detailed below:

	31 December 2017 (12 months) £'000	31 December 2016 (9 months) £'000
Audit services:		
Fees payable to the Company's auditor for the audit of the statutory accounts	**22**	21
Non-audit services:		
Fees payable to the Company's auditor for other services	**-**	1
Total	**22**	22

The fees for the year ended 31 December 2017 are paid by a fellow group undertaking and are not recharged to the Company.

8. Interest receivable and payable

	31 December 2017 (12 months) £'000	31 December 2016 (9 months) £'000
Interest receivable and similar income		
Bank interest receivable	**2**	2
Interest payable and similar charges		
Interest payable on finance lease	**(118)**	(85)
Provisions unwinding of discount	**(54)**	-
	(172)	(85)

9. Tax on profit on ordinary activities

Analysis of charge/(credit)

	31 December 2017 (12 months) £'000	31 December 2016 (9 months) £'000
Current tax:		
UK Corporate tax based on profits for the year	**193**	330
Adjustment in respect of prior years	**(6)**	-
Total current tax	**187**	330
Deferred tax:		
Origination and reversal of timing differences	**(65)**	(398)
Adjustment in respect of prior years	**28**	-
Tax charge/(credit) on profit on ordinary activities	**150**	(68)

Corporation tax is calculated at 19.25% (31 December 2016: 20.0%) of the estimated taxable profit for the year.

The charge/(credit) for the year can be reconciled to the Profit and Loss Account as follows:

	31 December 2017 (12 months) £'000	31 December 2016 (9 months) £'000
Profit on ordinary activities before tax	**447**	148
Tax at UK corporation tax rate of 19.25% (31 December 2016: 20.0%)	**86**	30
Tax effects of expenses that are not deductible in determining taxable profit	**12**	-
Rate change adjustment	**30**	25
Adjustments in respect of prior years	**22**	-
Change in unrecognised deferred tax assets	**-**	(123)
Tax charge/(credit) for the year	**150**	(68)

9. Tax on profit on ordinary activities (continued)

The standard rate of tax applied to the reported profit on ordinary activities is 19.25% (2016 20.00%). Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016).

These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

The impact included in the tax charge for financial year ended 31 December 2017 is a charge of £30k (£25k for the 9-month financial year period 31 December 2016).

10. Land and buildings

	Land and buildings £000	Leasehold improvements £000	Total £000
Cost			
Balance as at 1 January 2017	980	16	996
Additions at cost	39	-	39
Balance as at 31 December 2017	**1,019**	**16**	**1,035**
Accumulated depreciation			
Balance as at 1 January 2017	-	15	15
Charge for the year	60	1	61
Balance as at 31 December 2017	**60**	**16**	**76**
Net book value as at 31 December 2017	**959**	**-**	**959**
Net book value as at 31December 2016	980	1	981

The land and buildings were valued at £940k as at 31 December 2017 on a fair value basis by Lambert Smith Hampton Limited, who are independent chartered surveyors and provide valuation services cross all AXA UK's properties.

11. Plant and equipment

	Monitoring equipment £000	Other equipment £000	Total £000
Cost			
Balance as at 1 January 2017	3,701	104	3,805
Additions	773	-	773
Disposals	(781)	(97)	(878)
Balance as at 31 December 2017	**3,693**	**7**	**3,700**
Accumulated depreciation			
Balance as at 1 January 2017	1,685	29	1,714
Charge for the year	733	5	738
Disposals	(781)	(31)	(812)
Balance as at 31 December 2017	**1,637**	**3**	**1,640**
Net book value as at 31 December 2017	**2,056**	**4**	**2,060**
Net book value as at 31 December 2016	2,016	75	2,091

The total net book value of monitoring equipment as at 31 December 2017 includes £2,056k in respect of assets held under finance leases (as at 31 December 2016: £2,016k).

12. Stock

	31 December 2017 (12 months) £'000	31 December 2016 (9 months) £'000
Finished goods and goods for resale	**113**	128

13. Debtors

	31 December 2017 (12 months) £'000	31 December 2016 (9 months) restated £'000
Trade debtors	**179**	145
Prepayments and accrued income	**191**	152
Corporation tax	**-**	46
Other debtors	**462**	281
Amounts due after more than one year		
Deferred taxation (note 14)	**435**	398
Total	**1,267**	1,022

14. Deferred taxation

The movement on the deferred income tax account is as follows:

	Accelerated tax depreciation £'000	**Timing differences £'000**	**Prior year Restatement £'000**	**Total £'000**
Balance as at 1 January 2017	123	10	265	398
Charge to profit and loss	7	1	59	67
Effect of change in tax rate:				
Profit and loss	(2)	-	(28)	(30)
Balance as at 31 December 2017	**128**	**11**	**296**	**435**

Deferred tax assets and liabilities are offset where the 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:

	31 December 2017 (12 months) £'000	31 December 2016 (9 months) £'000
Deferred tax assets	**435**	398
Total deferred tax	**435**	398

15. Creditors: amounts falling due within one year

	31 December 2017 (12 months) £'000	31 December 2016 (9 months) £'000
Trade creditors	**161**	54
Other taxation and social security	**319**	68
Amounts owed to group undertakings	**2,030**	1,623
Obligations under finance lease and hire purchase contracts	**633**	629
Other creditors	**28**	22
Accruals and deferred income	**1,754**	1,439
Total	**4,925**	3,835

Amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

16. Creditors: amounts falling due after more than one year

	31 December 2017 (12 months) £'000	31 December 2016 (9 months) £'000
Obligations under finance leases and hire purchase contracts	**1,101**	1,386
Accruals and deferred income	**80**	145
Total	**1,181**	1,531

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	31 December 2017 (12 months) £'000	31 December 2016 (9 months) £'000
Not later than one year	**633**	629
Later than one year and not later than five years	**1,101**	1,386
Total	**1,734**	2,015

The personal alarm units are leased under a finance lease. There is a £1.00 per unit purchase fee at the end of the 5 year term which has not been recognised in the Balance Sheet.

17. Provisions for liabilities

	Dilapidations £'000	Alarm upgrade £'000	Total £'000
Previously reported at 1 January 2017	100	-	100
Prior year adjustment (note 19)	-	1,375	1,375
Restated at 1 January 2017	**100**	**1,375**	**1,475**
Additions	-	235	235
Unwinding of discount	-	54	54
Balance as at 31 December 2017	**100**	**1,664**	**1,764**

17. Provisions for liabilities (continued)

Provisions consist of:

- Dilapidations provision in relation to leasehold property currently occupied by the Company. The provision is expected to be utilised in line with the lease term.
- Alarm unit upgrades. The provision is expected to be utilised within 7 years.

18. Called up share capital

	31 December 2017 (12 months) £'000	31 December 2016 (9 months) £'000
Allotted, called up and fully paid:		
3,020,000 ordinary shares of 5 pence each	**151**	151

19. Reserves

	Called up share capital £'000	Profit and loss account £'000	Total £'000
Previously reported at 31 December 2016	151	574	725
Prior year adjustments	-	**(1,375)**	**(1,375)**
Deferred tax credit	-	**265**	**265**
Restated at 31 December 2016	**151**	**(536)**	**(385)**
At 31 December 2017	**151**	**(239)**	**(88)**

The analysis of the movement in reserves is detailed within the Statement of Changes in Equity on page 12.

The Profit and Loss Account represents the cumulative profits and losses of the Company.

Following a review of the alarm upgrade provision it has been identified that a proportion of the obligation was attributable to prior years. The correcting entry has resulted in the recognition of a provision for liabilities as at 31 December 2016 of £1,110k (net of tax) in the balance sheet and adjustments to the cost of sales and tax line items within the 2016 profit and loss account of £1,375k and £265k,respectively.

The periods prior to 2016 have not been adjusted following the provision review, due to the impracticability to obtain sufficiently reliable data to enable an estimate of the obligation to be calculated.

20. Staff pension costs

The Company operates a defined contribution scheme available to all of its employees. The pension costs charged in the financial statements represent the contribution payable by the Company during the year. The pension costs for the year are detailed below:

	31 December 2017 (12 months) £'000	31 December 2016 (9 months) £'000
Pension costs	**219**	117

Outstanding contributions payable as at 31 December 2017 amount to £26k (as at 31 December 2016: £22k).

21. Commitments

Operating lease commitments – where the Company is the lessee

The commitments relate to land and buildings and are subject to rent reviews.

The lease agreement should have been terminated in February 2018 but the Company still occupies this property until the notice is served to the lease provider.

	31 December 2017 (12 months) Land and buildings £'000	31 December 2016 (9 months) Land and buildings £'000
No later than 1 year	**55**	55
Later than 1 year and no later than 5 years	**-**	6
Total	**55**	61

The operating lease expense relating to leasehold property is £50k for the financial year ended 31 December 2017 (£40k for the 9-month financial period ended 31 December 2016) recognised in administration expenses.

Operating lease rental receivable – where the Company is the lessor

The rental receivable relates to land and buildings leased to the previous parent entity. The carrying amount of the associated asset is £959k as at 31 December 2017 (2016: £980k) shown within note 10.

The future aggregate minimum lease payments receivable under non-cancellable operating leases are as follows:

	31 December 2017 (12 months) Land and buildings £'000
No later than 1 year	**57**
Later than 1 year and no later than 5 years	**283**
Later than 5 years	**283**
Total	**623**

22. Directors' emoluments

The directors are employed and paid by companies in the AXA Group and their directorships are held as part of that employment. The emoluments of certain directors disclosed below are in respect of qualifying services to the AXA Group as a whole.

	31 December 2017 (12 months) £'000	31 December 2016 (9 months) £'000
Aggregate emoluments excluding amounts receivable under long-term incentive schemes	**390**	78
Aggregate pension contributions		
Defined contribution	**9**	2
Amounts attributable to highest paid director		
Aggregate emoluments	**267**	-

22. Directors' emoluments (continued)

Mr. K. G. Gibbs was also a director of the intermediate parent company, AXA UK plc, during the year and his emoluments, which relate to his services to the AXA Group as a whole, are disclosed in the financial statements of that company.

Mr. M. Howes was a director of AXA PPP Healthcare Group Limited, during the year and his emoluments, which relate to his services to the AXA Group as a whole, are disclosed in the financial statements of that company.

Mrs. A. Wilkinson and Mr. S. J. Harland were directors of AXA PPP healthcare limited, during the year and their emoluments, which relate to their services to the AXA Group as a whole, are disclosed in the financial statements of that company.

Retirement Benefits

Retirement benefits are accruing to one director under a defined contribution pension scheme (2016: one) and to no directors under a defined benefit scheme.

Directors' Interests in Transactions

No contract in which a director was interested and which was material to the Group or its subsidiaries or to the other transacting party existed during the year.

Loans to Directors and Connected Persons

No loans or quasi-loans exceeding £5,000 to directors and connected persons were made or subsisted during the year.

Share Options

Three directors exercised share options or employee sharesave options in AXA UK plc during the year (2016: One).

23. Immediate and ultimate parent company

The immediate parent company is AXA PPP Healthcare Group Limited, a company registered in England.

In the opinion of the directors, the Company's ultimate parent and controlling undertaking is AXA SA, a company incorporated in France. The parent undertaking of the largest group which includes the Company and for which group financial statements are prepared is AXA SA. Copies of the AXA SA group financial statements can be obtained from 25, avenue Matignon, 75008 Paris, France.

The parent undertaking of the smallest group which includes the Company and for which group financial statements are prepared is Guardian Royal Exchange plc, a company registered in England. Copies of the Guardian Royal Exchange plc financial statements can be obtained from 5 Old Broad Street, London EC2N 1AD.