

Parkcare Homes Limited
Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2016
Registration number: 02155276

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Parkcare Homes Limited

Contents

Company Information	1
Strategic Report	2
Directors' Report	3 to 4
Statement of Directors' Responsibilities	5
Profit and Loss Account	6
Statement of Comprehensive Income	7
Balance Sheet	8 to 9
Statement of Changes in Equity	10
Notes to the Unaudited Financial Statements	11 to 24

Parkcare Homes Limited

Company Information

Directors	Trevor Torrington Nigel Myers
Company secretary	David Hall
Registered office	Fifth Floor 80 Hammersmith Road London W14 8UD

Parkcare Homes Limited

Strategic Report for the Year Ended 31 December 2016

The directors present their strategic report for the year ended 31 December 2016.

Fair review of the business

The results for the year are set out in the profit and loss account on page 6 and the position of the company as at the year end is set out in the balance sheet on page 8.

The company is focussed on the elderly care sector and the performance of the company can be impacted by external factors. The principal factors are changes in the UK government's policy towards outsourcing of care, changes in the regulatory regime and competitive threats from other independent providers. Management uses a range of financial and non-financial indicators to manage the business. These are derived from all areas of the business and include sales growth by unit, occupancy and profit margins achieved. Gross profit margins have increased from 19.9% in 2015 to 20.5% in 2016.

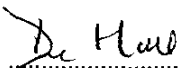
The company's management is satisfied with the performance for the year, and is committed to a continued growth strategy.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business. The development, performance and position of Partnerships in Care UK 1 Limited, an intermediate parent of the company, is discussed in the group's financial statements which includes the company and does not form part of this report.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principle risks and uncertainties of Partnerships in Care UK 1 Limited, which include those of the company, are discussed in the group's financial statements which do not form part of this report.

Approved by the Board on 22 September 2017 and signed on its behalf by:



David Hall
Company secretary

Parkcare Homes Limited

Directors' Report for the Year Ended 31 December 2016

The directors present their report and the unaudited financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the company is the delivery of care for older people.

Directors' of the company

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

Tom Riall (resigned 30 November 2016)

Mark Moran (resigned 1 March 2016)

Trevor Torrington (appointed 30 November 2016)

Nigel Myers (appointed 30 November 2016)

Dividends

The directors do not recommend the payment of a final dividend (2015: £nil). No dividends were paid during the year (2015: £nil).

Financial instruments

The company's operations mean that it is exposed to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The directors monitor the risks in order to limit the adverse effects on the financial performance by reviewing levels of debt finance and the related finance costs, however these are integrated with the risks of the group and not managed separately. Accordingly, the financial risk management policies of Partnerships in Care UK 1 Limited, which include those of the company, are discussed in the group's financial statements which do not form part of this report.

Employee involvement

The directors recognise that the continued position of the company in this sector depends on the quality and motivation of its employees and as such the company is committed to pursue employment policies which will continue to attract, retain and motivate its employees.

Good and effective employee communications are particularly important, and throughout the business it is the directors' policy to promote the understanding by all employees of the company's business aims and performance. This is achieved through internal publications, presentations on performance and a variety of other approaches appropriate for a particular location. Employees are consulted on issues through workshops, which are run regularly across the group.

Employment of disabled persons

The directors believe that it is important to recruit and retain capable and caring staff regardless of their sex, marital status, race or religion. It is the company's policy to give full and fair consideration to applications for employment from people who are disabled, to continue wherever possible the employment of and to arranged appropriate training for, employees who become disabled and to provide equal opportunities for the career development, training and promotion of disabled employees.

Future developments

The future developments of the company are aligned to the strategy of the UK group, headed by Partnerships in Care UK 1 Limited. The group's strategy for the future development of the business is included in the group's financial statements, which do not form part of this report.

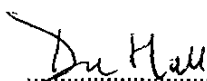
Parkcare Homes Limited

Directors' Report for the Year Ended 31 December 2016 (continued)

Going concern

The intermediate parent company, Partnerships in Care UK 1 Limited, has confirmed that it will continue to provide financial support to the company for the foreseeable future and for at least twelve months from the date of approval of these financial statements. Accordingly the financial statements have been prepared on the going concern basis.

Approved by the Board on 22 September 2017 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'D Hall', is written over a dotted line.

David Hall
Company secretary

Parkcare Homes Limited

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has 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.

Parkcare Homes Limited

Profit and Loss Account for the Year Ended 31 December 2016

	Note	2016 £ 000	2015 £ 000
Turnover	4	24,870	24,426
Cost of sales		<u>(19,777)</u>	<u>(19,554)</u>
Gross profit		5,093	4,872
Administrative expenses		<u>(3,402)</u>	<u>(658)</u>
Operating profit	5	1,691	4,214
Interest payable and similar charges	6	<u>(6)</u>	<u>(8)</u>
Profit before tax		1,685	4,206
Tax on profit on ordinary activities	9	<u>(569)</u>	<u>(771)</u>
Profit for the year		<u>1,116</u>	<u>3,435</u>

The above results were derived from continuing operations.

The notes on pages 11 to 24 form an integral part of these financial statements.

Parkcare Homes Limited

Statement of Comprehensive Income for the Year Ended 31 December 2016

	Note	2016 £ 000	2015 £ 000
Profit for the year		<u>1,116</u>	<u>3,435</u>
Total comprehensive income for the year		<u>1,116</u>	<u>3,435</u>

The notes on pages 11 to 24 form an integral part of these financial statements.

Parkcare Homes Limited

(Registration number: 02155276) Balance Sheet as at 31 December 2016

	Note	2016 £ 000	2015 £ 000
Fixed assets			
Intangible assets	11	210	210
Tangible assets	10	<u>35,531</u>	<u>37,601</u>
		<u>35,741</u>	<u>37,811</u>
Current assets			
Stocks	12	30	32
Debtors	13	8,701	4,814
Cash at bank and in hand	14	<u>22</u>	<u>23</u>
		8,753	4,869
Creditors: Amounts falling due within one year	15	<u>(3,462)</u>	<u>(2,945)</u>
Net current assets		<u>5,291</u>	<u>1,924</u>
Total assets less current liabilities		41,032	39,735
Creditors: Amounts falling due after more than one year		(9)	(15)
Provisions for liabilities	17, 9	<u>(1,186)</u>	<u>(999)</u>
Net assets		<u>39,837</u>	<u>38,721</u>
Capital and reserves			
Called up share capital	18	4,772	4,772
Share premium reserve		2,305	2,305
Profit and loss account		<u>32,760</u>	<u>31,644</u>
Shareholders' funds		<u>39,837</u>	<u>38,721</u>

The notes on pages 11 to 24 form an integral part of these financial statements.

Parkcare Homes Limited

(Registration number: 02155276)

Balance Sheet as at 31 December 2016 (continued)

For the financial year ending 31 December 2016 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 22 September 2017 and signed on its behalf by:



Nigel Myers

Director

The notes on pages 11 to 24 form an integral part of these financial statements.

Parkcare Homes Limited

Statement of Changes in Equity for the Year Ended 31 December 2016

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2016	4,772	2,305	31,644	38,721
Profit for the year	-	-	1,116	1,116
Total comprehensive income	-	-	1,116	1,116
At 31 December 2016	4,772	2,305	32,760	39,837

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2015	4,772	2,305	28,209	35,286
Profit for the year	-	-	3,435	3,435
Total comprehensive income	-	-	3,435	3,435
At 31 December 2015	4,772	2,305	31,644	38,721

The notes on pages 11 to 24 form an integral part of these financial statements.

Parkcare Homes Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016

1 General information

The company is a private company limited by share capital incorporated and domiciled in United Kingdom.

The address of its registered office is:

Fifth Floor
80 Hammersmith Road
London
W14 8UD
United Kingdom

These financial statements were authorised for issue by the Board on 22 September 2017.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The financial statements are presented in sterling, rounded to the nearest thousand.

Summary of disclosure exemptions

FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 22 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The principle disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- Statement of cash flows;
- IFRS 7 financial instrument disclosures;
- IAS 1 information on management of capital;
- IAS 8 disclosures in respect of new standards and interpretations that have been issued but which are not yet effective;
- IAS 24 disclosure of key management personnel compensation;
- IAS 24 disclosures in respect of related party transactions entered into between fellow group companies (the company had no other related party transactions); and
- Roll-forward reconciliations in respect of share capital (IAS 1) and property, plant and equipment (IAS 16).

Parkcare Homes Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

2 Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis. The intermediate parent company, Partnerships in Care UK 1 Limited, has confirmed that it will continue to provide financial support to the company for the foreseeable future and for at least 12 months from the date of approval of these financial statements. Accordingly the financial statements have been prepared on the going concern basis.

Exemption from preparing group accounts

The financial statements contain information about Parkcare Homes Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Partnerships in Care UK 1 Limited, a company incorporated in United Kingdom.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2016 have had a material effect on the financial statements.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Payment is generally made for group relief at the current tax rate at the time of first estimating the tax provision. To the extent that amendments are subsequently made to the group relief plan, there is generally no payment or receipt in respect of the change.

Parkcare Homes Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

2 Accounting policies (continued)

Tangible assets

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold buildings	over 50 years
Short leasehold land and buildings	over the lease term
Fixture and fittings	over 3 to 16 years
Motor vehicles	over shorter of the lease term and 4 years

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Goodwill is not subject to amortisation but is tested for impairment.

Negative goodwill arising on an acquisition is recognised directly in the income statement. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the income statement on disposal.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade debtors

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Parkcare Homes Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

2 Accounting policies (continued)

Stock

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event; it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Parkcare Homes Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

2 Accounting policies (continued)

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised as non-current assets of the company at the lower of their fair value at the date of commencement of the lease and at the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance costs in the income statement and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability

Impairment of non-financial assets

Property, plant and equipment is tested for impairment by management when a trigger event that might affect asset values has occurred. An impairment loss is recognised in the profit and loss account to the extent that the carrying amount cannot be recovered either by selling the asset or by the discounted future earnings from an income-generating unit, which is an individual business operational unit.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations 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.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Parkcare Homes Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period then ended. Management bases its estimates on historical experience and various other assumptions that are considered to be reasonable in the particular circumstances. Actual results may differ from these estimates.

Estimates are used in accounting for allowances for uncollected receivables, depreciation, taxes and contingencies. Estimates and assumptions are reviewed periodically and the effects of the revision are reflected in the financial statements in the period that an adjustment is determined to be required.

Significant accounting judgements have been applied with respect to the valuation of deferred tax assets. Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular, judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income.

4 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2016	2015
	£ 000	£ 000
Rendering of services	<u>24,870</u>	<u>24,426</u>

All turnover and profit on ordinary activities before taxation arose within the United Kingdom and from one class of business.

5 Operating profit

Arrived at after charging/(crediting)

	2016	2015
	£ 000	£ 000
Depreciation expense	1,688	1,760
Impairment loss	1,353	-
Profit on disposal of property, plant and equipment	<u>-</u>	<u>(65)</u>

Parkcare Homes Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

6 Interest payable and similar charges

	2016 £ 000	2015 £ 000
Interest on bank overdrafts and borrowings	1	1
Interest on obligations under finance leases and hire purchase contracts	5	7
	<u>6</u>	<u>8</u>

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2016 £ 000	2015 £ 000
Wages and salaries	12,955	12,935
Social security costs	886	868
Pension costs, defined contribution scheme	71	70
	<u>13,912</u>	<u>13,873</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2016 No.	2015 No.
Administration and support	251	250
Other departments	709	725
	<u>960</u>	<u>975</u>

8 Directors' remuneration

The costs relating to the directors' services have been borne by Priory Central Services Limited, a fellow group company. No amounts (2015: £nil) have been recharged to the company in respect of the directors' services and the directors do not believe that it is practical to allocate these costs between group companies.

Parkcare Homes Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

9 Income tax

Tax charged/(credited) in the profit and loss account

	2016 £ 000	2015 £ 000
Current taxation		
UK corporation tax	921	904
Deferred taxation		
Arising from origination and reversal of temporary differences	(352)	(133)
Tax expense in the profit and loss account	<u>569</u>	<u>771</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2015 - lower than the standard rate of corporation tax in the UK) of 20% (2015 - 20.25%).

The differences are reconciled below:

	2016 £ 000	2015 £ 000
Profit before tax	<u>1,685</u>	<u>4,206</u>
Corporation tax at standard rate	337	852
Increase (decrease) in current tax from adjustment for prior periods	103	(76)
Increase (decrease) from effect of capital allowances depreciation	-	(44)
Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	282	-
Increase (decrease) from transfer pricing adjustments	58	85
Deferred tax expense (credit) from unrecognised temporary difference from a prior period	(343)	14
Deferred tax expense (credit) relating to changes in tax rates or laws	(25)	(60)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>157</u>	<u>-</u>
Total tax charge	<u>569</u>	<u>771</u>

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the company's profits for this accounting year are taxed at an effective rate of 20.00% (2015: 20.25%).

The main rate of corporation tax has been reduced from 20% to 19% with effect from 1 April 2017 and from 19% to 17% with effect from 1 April 2020. These rate reductions were substantively enacted before the year end and as the directors consider the deferred tax balances are expected to largely reverse after 1 April 2020, the tax rate used for deferred tax at the year end is 17%.

Parkcare Homes Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

9 Income tax (continued)

Deferred tax

Deferred tax assets and liabilities

	Liability £ 000
2016	
Accelerated tax depreciation	313
Other items	<u>84</u>
	<u>397</u>

	Liability £ 000
2015	
Accelerated tax depreciation	563
Other items	<u>186</u>
	<u>749</u>

Deferred tax movement during the year:

	At 1 January 2016 £ 000	Recognised in income £ 000	At 31 December 2016 £ 000
Accelerated tax depreciation	(563)	250	(313)
Other items	<u>(186)</u>	<u>102</u>	<u>(84)</u>
Net tax assets/(liabilities)	<u>(749)</u>	<u>352</u>	<u>(397)</u>

Deferred tax movement during the prior year:

	At 1 January 2015 £ 000	Recognised in income £ 000	At 31 December 2015 £ 000
Accelerated tax depreciation	(582)	19	(563)
Other items	<u>(300)</u>	<u>114</u>	<u>(186)</u>
Net tax assets/(liabilities)	<u>(882)</u>	<u>133</u>	<u>(749)</u>

Deferred tax assets relating to deductible temporary differences are recognised if it is probable that they can be offset against future taxable profits or existing temporary differences. On the basis of the approved business plans, it is considered probable that the temporary differences can be offset against future taxable profits.

Parkcare Homes Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

10 Tangible assets

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Motor vehicles £ 000	Properties under construction £ 000	Total £ 000
Cost or valuation					
At 1 January 2016	54,304	17,791	192	16	72,303
Additions	-	960	-	30	990
Disposals	-	(34)	-	(19)	(53)
Transfers	-	1	-	(1)	-
At 31 December 2016	<u>54,304</u>	<u>18,718</u>	<u>192</u>	<u>26</u>	<u>73,240</u>
Depreciation					
At 1 January 2016	23,132	11,430	140	-	34,702
Charge for the year	381	1,269	38	-	1,688
Eliminated on disposal	-	(34)	-	-	(34)
Impairment	<u>1,097</u>	<u>256</u>	<u>-</u>	<u>-</u>	<u>1,353</u>
At 31 December 2016	<u>24,610</u>	<u>12,921</u>	<u>178</u>	<u>-</u>	<u>37,709</u>
Carrying amount					
At 31 December 2016	<u>29,694</u>	<u>5,797</u>	<u>14</u>	<u>26</u>	<u>35,531</u>
At 31 December 2015	<u>31,172</u>	<u>6,361</u>	<u>52</u>	<u>16</u>	<u>37,601</u>

Parkcare Homes Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

10 Tangible assets (continued)

Assets held under finance leases and hire purchase contracts

The net carrying amount of property, plant and equipment includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2016 £ 000	2015 £ 000
Motor vehicles	<u>6</u>	<u>50</u>

11 Intangible assets

	Goodwill £ 000	Total £ 000
Cost or valuation		
At 1 January 2016	<u>210</u>	<u>210</u>
At 31 December 2016	<u>210</u>	<u>210</u>
Carrying amount		
At 31 December 2016	<u>210</u>	<u>210</u>
At 31 December 2015	<u>210</u>	<u>210</u>

The company tests goodwill annually for impairment, or more frequently if there is an indicator that goodwill might be impaired. The recoverable amount is determined from either value in use or fair value less costs to sell calculations.

No reasonably likely changes in underlying assumptions would result in a material impairment charge.

12 Stock

	2016 £ 000	2015 £ 000
Raw materials and consumables	<u>30</u>	<u>32</u>

Parkcare Homes Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

13 Trade and other debtors

	2016 £ 000	2015 £ 000
Trade debtors	689	588
Provision for impairment of trade debtors	(41)	(66)
Net trade debtors	648	522
Debtors from related parties	7,952	4,191
Accrued income	11	16
Prepayments	85	69
Other debtors	5	16
Total current trade and other debtors	8,701	4,814

Amounts owed by related parties are unsecured, non-interest bearing and repayable on demand.

14 Cash and cash equivalents

	2016 £ 000	2015 £ 000
Cash at bank	22	23

15 Creditors: amounts falling due within one year

	2016 £ 000	2015 £ 000
Accrued expenses	1,576	1,158
Deferred income	159	179
Income tax liability	921	904
Social security and other taxes	284	252
Outstanding defined contribution pension costs	25	12
Other creditors	488	412
Loans and borrowings	9	28
	3,462	2,945

16 Loans and borrowings

	2016 £ 000	2015 £ 000
Non-current loans and borrowings		
Finance lease liabilities	9	15

Parkcare Homes Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

16 Loans and borrowings (continued)

	2016 £ 000	2015 £ 000
Current loans and borrowings		
Finance lease liabilities	<u>9</u>	<u>28</u>

17 Other provisions

	Onerous contracts £ 000	Dilapidations £ 000
At 1 January 2016	200	50
Increase (decrease) in existing provisions	737	-
Provisions used	<u>(198)</u>	<u>-</u>
At 31 December 2016	<u>739</u>	<u>50</u>

Dilapidation provisions

Provisions have been recorded for costs of returning properties held under operating leases to the state of repair at the inception of the lease. These provisions are expected to be utilised on the termination of the underlying leases.

Onerous contracts

Provisions have been recorded on certain lease arrangements. They have been established on the basis of the expected onerous element of future lease payments over the remaining life of the relevant leases and agreements.

18 Share capital

Allotted, called up and fully paid shares

	No. 000	2016 £ 000	No. 000	2015 £ 000
Ordinary shares of £1 each	<u>4,772</u>	<u>4,772</u>	<u>4,772</u>	<u>4,772</u>

Parkcare Homes Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2016 (continued)

19 Obligations under leases

Operating leases

The total future value of minimum lease payments is as follows:

	2016	2015
	£ 000	£ 000
Within one year	60	60
In two to five years	240	240
In over five years	<u>2,505</u>	<u>2,565</u>
	<u>2,805</u>	<u>2,865</u>

20 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £215,000 (2015 - £119,000).

21 Contingent liabilities

At 31 December 2015, borrowings of a fellow group undertaking were secured by fixed and floating charges over all the assets of the company.

22 Parent and ultimate parent undertaking

The company's immediate parent is Amore Care (Holdings) Limited.

The ultimate parent is Acadia Healthcare Company Inc..

The parent of the largest group in which these financial statements are consolidated is Acadia Healthcare Company Inc., incorporated in the United States of America. The address of Acadia Healthcare Company Inc. is 830 Crescent Centre Drive, Suite 610, Franklin, TN 37067, United States of America.

The parent of the smallest group in which these financial statements are consolidated is Partnerships in Care UK 1 Limited, incorporated in the United Kingdom. The address of Partnerships in Care UK 1 Limited is Fifth Floor, 80 Hammersmith Road, London, W14 8UD, United Kingdom.