

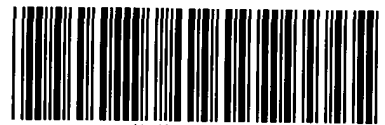
Four Seasons Home Care Limited

Annual report and financial statements

Registered number 03924686

31 December 2014

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Strategic Report

Principal activities

The principal activity of Four Seasons Home Care Limited is to provide services to the social care market.

The Company delivers managed services to those in need of care at home in order to allow people to live, as fully as possible, a life of their choosing. The services are funded by Local Government, the NHS, the insurance industry and individuals or their relatives.

Business review

The profit and loss account on page 5 sets out the results for the year.

As at 31 December 2014 the company has net current assets and net assets as shown on page 6.

The Company is expected to continue to generate positive cash flows from operating activities for the foreseeable future.

On the basis of their assessment of the Company's financial position the Directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

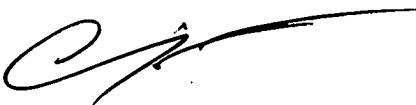
Key performance indicators based upon care worker hours, sales, gross profit, operating profit, and cash flows are used by business to monitor its performance.

Principal risks and uncertainties

The key risks facing the company are:

- Market risk - the company regularly reviews the markets in which it operates and is mindful of the risk especially changes to Government policy that may at times change the way in which care is funded.
- Credit risk from private clients - this is mitigated by ensuring accurate and timely invoicing and robust credit control procedures.

By order of the Board



Craig Hendry
Director

17 December 2015

Libra House
Sunrise Parkway
Linford Wood
Milton Keynes
MK14 6PH

Directors' Report

The Directors present their report and financial statements for the year ended 31 December 2014.

Proposed dividend

The Directors do not recommend the payment of a dividend (2013: £nil).

Directors

The Directors who held office during the period were as follows:

Phil Pegler	(resigned 24 July 2014)
Andrew Stevens	(resigned 31 May 2014)
Scott Christie	(appointed 24 July 2014)
Craig Hendry	(appointed 24 July 2014)

Political and charitable contributions

The company made no political nor charitable donations during the year (2013: £nil).

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



Craig Hendry
Director
17 December 2015

Libra House
Sunrise Parkway
Linford Wood
Milton Keynes
MK14 6PH

Statement of Directors' responsibilities in respect of the Annual report and the financial statements

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 they 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 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 judgments and 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 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 its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Four Seasons Home Care Limited

We have audited the financial statements of Four Seasons Home Care Limited for the year ended 31 December 2014 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of the profit for the year then ended;
- have been properly prepared in accordance with UK 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.

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, 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 specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mark Matthewman (Senior Statutory Auditor)
for and on behalf of KPMG LLP,
Statutory Auditor
Chartered Accountants
17 December 2015

Altius House
1 North Fourth Street
Milton Keynes
Buckinghamshire
MK9 1NE

Profit and Loss Account
for the year ended 31 December 2014

	<i>Note</i>	2014 £000	2013 £000
Turnover		1,207	1,487
Cost of sales		(863)	(932)
Gross profit		344	555
Administrative expenses		(219)	(275)
Profit on ordinary activities before taxation	2	125	280
Tax on profit on ordinary activities	3	-	-
Profit for the financial year		125	280

There are no discontinued operations.

There is no difference between the profit for the period and that prepared on a historical cost basis.

There are no other recognised gains and losses.

The notes on pages 7 to 10 form an integral part of these financial statements.

Balance Sheet
at 31 December 2014

	<i>Note</i>	2014 £000	2013 £000
Fixed assets			
Tangible assets	4	5	10
		<u>5</u>	<u>10</u>
Current assets			
Debtors	5	2,472	2,177
		<u>2,472</u>	<u>2,177</u>
Creditors: amounts falling due within one year	6	(925)	(760)
		<u></u>	<u></u>
Net current assets		<u>1,547</u>	<u>1,417</u>
Total assets less current liabilities		<u>1,552</u>	<u>1,427</u>
Net assets		<u>1,552</u>	<u>1,427</u>
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account	8	1,552	1,427
		<u>1,552</u>	<u>1,427</u>
Equity shareholders' funds		<u>1,552</u>	<u>1,427</u>

The notes on pages 7 to 10 form an integral part of these financial statements.

These financial statements were approved by the board of Directors on 17 December 2015 and were signed on its behalf by:



Craig Hendry
Director

Notes (forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

As the company is a wholly owned subsidiary of Carewatch Holdings Limited the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Carewatch Holdings Limited, within which this company is included, can be obtained from the address given in note 10.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated accounts.

Going concern

The Financial statements have been prepared on the going concern basis. The company has adequate forecast working capital and is fully supported by the parent company. The Directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. Therefore the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Office equipment	33% reducing balance
Furniture and fittings	25% reducing balance

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

Revenue is measured at the fair value of the consideration received and receivable and represents amounts received for services provided in the normal course of business, net of VAT. Revenue is recognised when services are supplied to external customers against orders received. The point of supply is generally defined as the point at which a service user has received care services from the company, which is usually provided on a daily basis.

Dividends on shares presented within shareholders' funds

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes (continued)

2 Notes to the profit and loss account

	2014 £000	2013 £000
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Depreciation	5	8
Hire of other assets - operating leases	15	15
<i>Auditor's remuneration:</i>		
Audit of these financial statements	4	4

The audit fees have been settled by Carewatch Care Services Limited. The Directors are not remunerated for their services to the company.

3 Taxation

Analysis of charge in year

	2014 £000	2013 £000
<i>UK corporation tax</i>		
Total current tax	-	-

Factors affecting the tax charge for the current year

The current tax charge for the period is lower (2013: lower) than the standard rate of corporation tax in the UK 21.50% (2013: 23.25%).

The differences are explained below.

	2014 £000	2013 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	125	280
Current tax at 21.50% (2013: 23.25%)	27	65
<i>Effects of:</i>		
Group relief received	(27)	(65)
Total current tax charge (see above)	-	-

RA reduction in the UK corporation tax rate from 24% to 23% (effective 1 April 2013) was substantively enacted on 3 July 2012. Reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. The deferred tax asset at 31 December 2014 has been calculated based on the rate of 20% substantively enacted at the balance sheet date. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly.

Notes (continued)

4 Tangible fixed assets

	Furniture, fitting and Office Equipment £000
Cost	
At beginning of year	25
At end of year	25
Depreciation	
At beginning of year	15
Charge for year	5
At end of year	20
Net book value	
At 31 December 2014	5
At 31 December 2013	10

5 Debtors

	2014 £000	2013 £000
Trade debtors	169	140
Amounts owed by group companies	2,234	1,982
Other receivables	-	3
Prepayments	69	52
	<u>2,472</u>	<u>2,177</u>

6 Creditors: amounts falling due within one year

	2014 £000	2013 £000
Bank loans and overdrafts	782	686
Trade creditors	1	5
Other taxation and social security	8	17
Other payables	-	6
Accruals and deferred income	134	46
	<u>925</u>	<u>760</u>

Notes (continued)

7 Called up share capital

	2014 £	2013 £	2014 Number	2013 Number
<i>Allotted, called up and fully paid</i>				
Ordinary Shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

8 Reserves

	2014 £000	2013 £000
At beginning of year	1,427	1,147
Profit for the year	<u>125</u>	<u>280</u>
At end of year	<u>1,552</u>	<u>1,427</u>

9 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2014 Land and Buildings £000	2013 Land and buildings £000
Operating leases which expire: In the second to fifth years inclusive	<u>13</u>	<u>13</u>

The company and other fellow subsidiaries have provided guarantees to the group's bankers in respect of the Group's borrowings, which at 31 December 2014 amounted to £22,300,000 (2013: £22,600,000).

10 Ultimate parent Company and parent undertaking of larger group of which the Company is a member

The company's immediate parent company is Carewatch Care Services Limited which is incorporated in the United Kingdom.

The company's ultimate parent company is Carewatch Holdings Limited, a company registered in the United Kingdom.

The largest group in which the results of the company are consolidated is that headed by Carewatch Holdings Limited, incorporated in the United Kingdom.

The smallest group in which the results of the company are consolidated is that headed by Carewatch Care Services Limited, incorporated in the United Kingdom.

The consolidated financial statements of these companies are available to the public and may be obtained from Libra House, Sunrise Parkway Linford Wood, Milton Keynes, MK14 6PH.