

Company Registration No. 04603309 (England and Wales)

SHAW COMMUNITY LIVING (DCA) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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SHAW COMMUNITY LIVING (DCA) LIMITED

COMPANY INFORMATION

Directors	Mr R S Brown Ms S D Hughes Mr P J Nixey Mr A Thomas	(Appointed 1 February 2017)
Company number	04603309	
Registered office	1 Links Court Links Business Park Fortran Road St Mellons Cardiff South Glamorgan CF3 0LT	
Auditor	Deloitte LLP Cardiff United Kingdom	
Bankers	Allied Irish Bank 2 Callaghan Square Cardiff CF10 5AZ	
Solicitors	Blake Morgan Solicitors One Central Square Park Place Cardiff CF10 1FS	

SHAW COMMUNITY LIVING (DCA) LIMITED

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SHAW COMMUNITY LIVING (DCA) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their annual report and the audited financial statements for the year ended 31 March 2017.

Principal activities

The principal activities of the company during the course of the year were those of the management of residential care homes.

Directors

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

Mr R S Brown

Ms S D Hughes

(Appointed 1 February 2017)

Mr P J Nixey

Mr A Thomas

Disabled persons

The company operates a policy of equal opportunities for employment which includes disabled employees. This policy gives full and fair consideration to applications for employment to the company made by disabled persons, having regard to their particular aptitudes and abilities, for continuing the employment of, and for arranging appropriate training for, employees of the company who have become disabled persons during the period when they were employed by the company and otherwise for the training, career development and promotion of disabled persons employed by the company.

Employee involvement

During the financial year the company continued the arrangements aimed at:

1. providing employees systematically with information on matters of concern to them as employees;
2. consulting employees or their representatives on a regular basis so that the views of the employees can be taken into account in making decisions which are likely to affect their interests; and
3. achieving a common awareness on the part of all employees of the financial and economic factors affecting the performance of the company.

Auditor

Deloitte LLP have indicated their willingness to continue in office as the company's auditor. A resolution is in place to dispense with the requirement to hold Annual General Meetings

Statement of disclosure to auditor

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

Taxation status

The company is a close company under the provisions of the Taxes Act 1988.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

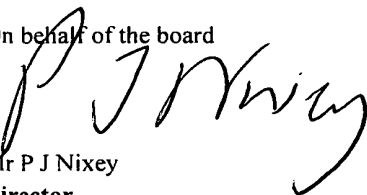
Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

SHAW COMMUNITY LIVING (DCA) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

On behalf of the board

A handwritten signature in black ink, appearing to read 'P J Nixey', written over the printed name.

Mr P J Nixey

Director

28 September 2017

SHAW COMMUNITY LIVING (DCA) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

SHAW COMMUNITY LIVING (DCA) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHAW COMMUNITY LIVING (DCA) LIMITED

We have audited the financial statements of Shaw Community Living (DCA) Limited for the year ended 31 March 2017 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

SHAW COMMUNITY LIVING (DCA) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SHAW COMMUNITY LIVING (DCA) LIMITED

Matters on which we are required to report by exception

In the 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 Directors' Report.

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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



Andrew Woodhead (Senior statutory auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

Cardiff

United Kingdom

28 September 2017

SHAW COMMUNITY LIVING (DCA) LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
Turnover	3	3,219,145	5,238,875
Operating costs		(3,233,504)	(5,046,583)
		<hr/>	<hr/>
Operating (loss)/profit	4	(14,359)	192,292
Interest receivable and similar income	8	415	786
Interest payable and similar expenses	9	(24,705)	(24,684)
		<hr/>	<hr/>
(Loss)/profit before taxation		(38,649)	168,394
Taxation	10	5,692	(35,425)
		<hr/>	<hr/>
(Loss)/profit for the financial year		<u>(32,957)</u>	<u>132,969</u>

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

SHAW COMMUNITY LIVING (DCA) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

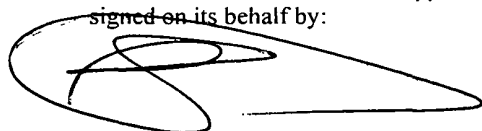
	2017	2016
	£	£
(Loss)/profit for the year	(32,957)	132,969
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(32,957)</u>	<u>132,969</u>

SHAW COMMUNITY LIVING (DCA) LIMITED

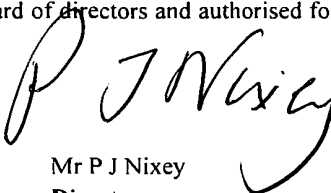
**BALANCE SHEET
AS AT 31 MARCH 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11		2,549		8,100
Current assets					
Debtors falling due after one year	12	5,855		7,411	
Debtors falling due within one year	12	208,638		442,140	
Cash at bank and in hand		373,468		305,907	
		587,961		755,458	
Creditors: amounts falling due within one year	13	(125,422)		(265,513)	
Net current assets			462,539		489,945
Total assets less current liabilities			465,088		498,045
Creditors: amounts falling due after more than one year	14		(1,165,000)		(1,165,000)
Net liabilities			(699,912)		(666,955)
Capital and reserves					
Called up share capital	18	1,000		1,000	
Profit and loss reserves		(700,912)		(667,955)	
Total equity			(699,912)		(666,955)

The financial statements were approved by the board of directors and authorised for issue on 28 September 2017 and are signed on its behalf by:



Mr R S Brown
Director



Mr P J Nixey
Director

Company Registration No. 04603309

SHAW COMMUNITY LIVING (DCA) LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2015	1,000	(800,924)	(799,924)
Year ended 31 March 2016:			
Profit and total comprehensive income for the year	-	132,969	132,969
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2016	1,000	(667,955)	(666,955)
Year ended 31 March 2017:			
Loss and total comprehensive income for the year	-	(32,957)	(32,957)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2017	<u>1,000</u>	<u>(700,912)</u>	<u>(699,912)</u>

SHAW COMMUNITY LIVING (DCA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Shaw Community Living (DCA) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Links Court, Links Business Park, Fortran Road, St Mellons, Cardiff, South Glamorgan, CF3 0LT.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention.

The principal accounting policies adopted are set out below.

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

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Shaw Healthcare (Group) Limited. These consolidated financial statements are available from its registered office, 1 Links Court, Links Business Park, St Mellons, Cardiff, CF3 0LT.

SHAW COMMUNITY LIVING (DCA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.2 Going concern

The financial statements have been prepared using the going concern basis of accounting. The company's business activities are set out in the Directors' Report. The Business Review incorporated in the annual report of Shaw healthcare (Group) Limited, the ultimate parent company, includes information on the group's business activities, together with the factors likely to affect its future development, performance and position. It also includes information on the financial position of the group, its cash flows, liquidity position and borrowing facilities as well as its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The company remains in a net liabilities position due to losses generated. Financial support from within the group has been agreed in the event that this is required by the company to cover its short-term working capital requirements and a letter has been received from the company's parent undertaking and respective group undertakings that repayment of the loans will not be demanded within 12 months from the signing of the financial statements. An additional written letter of support, up to a maximum of £40,000 for the period 12 months after the date of signing these financial statements has been received from Shaw healthcare (Group) Limited.

The company's main business risks relate to a) certainty of income as the company's income is generated entirely from short-term contracts; and b) cost control, especially in relation to staff. The directors are mitigating these risks by trying to deliver a good standard of service, by developing strong links with existing and potential customers, and through the development of a comprehensive framework of controls and performance metrics.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

1.3 Turnover

The turnover shown in the profit and loss account arises wholly in the United Kingdom and represents amounts recognised during the year, exclusive of Value Added Tax, in line with the company's revenue recognition policy. The company recognises revenue as care is provided. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

1.4 Tangible fixed assets

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

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

Fixtures and fittings	20% straight-line
IT equipment	20% straight-line

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

SHAW COMMUNITY LIVING (DCA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

1.6 Cash and cash equivalents

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

1.7 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

SHAW COMMUNITY LIVING (DCA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

1.8 Equity instruments

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

1.9 Taxation

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

Current tax

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

Deferred tax

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

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

SHAW COMMUNITY LIVING (DCA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

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

1.11 Retirement benefits

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

1.12 Leases

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

2 Judgements and key sources of estimation uncertainty

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

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

Due to the nature of the business there are limited critical judgements and estimates that are made in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements. Revenue is largely derived from service agreements with fellow group companies, there is no inventory or significant provisions and debtor recoverability has not previously given rise to any issues.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017	2016
	£	£
Turnover		
Care home residential fees	3,212,226	5,208,949
Other income	6,919	29,926
	<u>3,219,145</u>	<u>5,238,875</u>
 Other significant revenue		
Interest income	<u>415</u>	<u>786</u>

SHAW COMMUNITY LIVING (DCA) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017****4 Operating (loss)/profit**

	2017	2016
	£	£
Operating (loss)/profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	5,551	7,262
Operating lease charges	34,683	56,919
	<u> </u>	<u> </u>

5 Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the company's annual accounts were £3,000 (2016 - £3,000).

Fees payable to Deloitte LLP and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

6 Employees

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

	2017	2016
	Number	Number
Care provision	262	341
Administration	10	18
	<u> </u>	<u> </u>
	272	359
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	2,569,794	4,055,365
Social security costs	160,366	208,685
Pension costs	14,876	19,151
	<u> </u>	<u> </u>
	2,745,036	4,283,201
	<u> </u>	<u> </u>

7 Directors' remuneration

The directors are remunerated by Shaw healthcare (Group) Limited for their services to the group as a whole. It is not practicable to allocate their remuneration between their services to this company and other group companies. Their remuneration is disclosed in the consolidated financial statements of Shaw healthcare (Group) Limited, which are publicly available.

SHAW COMMUNITY LIVING (DCA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

8 Interest receivable and similar income

	2017	2016
	£	£
Interest income		
Interest on bank deposits	415	786
	<u>415</u>	<u>786</u>

9 Interest payable and similar expenses

	2017	2016
	£	£
Interest on bank overdrafts and loans	24,705	24,684
	<u>24,705</u>	<u>24,684</u>

10 Taxation

	2017	2016
	£	£
Current tax		
Adjustments in respect of prior periods	(404)	577
Group tax relief	(6,844)	34,361
	<u>(7,248)</u>	<u>34,938</u>
Total current tax	<u>(7,248)</u>	<u>34,938</u>
Deferred tax		
Origination and reversal of timing differences	1,192	879
Adjustment in respect of prior periods	364	(392)
	<u>1,556</u>	<u>487</u>
Total deferred tax	<u>1,556</u>	<u>487</u>
Total tax (credit)/charge	<u>(5,692)</u>	<u>35,425</u>

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

	2017	2016
	£	£
(Loss)/profit before taxation	(38,649)	168,394
	<u>(38,649)</u>	<u>168,394</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	(7,730)	33,679
Tax effect of expenses that are not deductible in determining taxable profit	1,322	554
Adjustments in respect of prior years	(40)	185
Permanent capital allowances in excess of depreciation	505	184
Effect of rate changes	251	823
	<u>(5,692)</u>	<u>35,425</u>
Taxation (credit)/charge for the year	<u>(5,692)</u>	<u>35,425</u>

SHAW COMMUNITY LIVING (DCA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

10 Taxation

(Continued)

In the Budget on 8 July 2015, the government announced legislation setting the Corporation Tax main rate at 19% for the years starting the 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. In the Budget on 16 March 2016, the government announced a further reduction to the Corporation Tax main rate for the year starting 1 April 2020, setting the rate at 17%. As the changes have been substantively enacted at the balance sheet date their effects are included in these financial statements.

There is no expiry date on timing differences, unused tax losses or tax credits.

11 Tangible fixed assets

	Fixtures and fittings £	IT equipment £	Total £
Cost			
At 1 April 2016	32,870	41,225	74,095
Disposals	(32,870)	(19,382)	(52,252)
At 31 March 2017	-	21,843	21,843
Depreciation and impairment			
At 1 April 2016	32,188	33,807	65,995
Depreciation charged in the year	682	4,869	5,551
Eliminated in respect of disposals	(32,870)	(19,382)	(52,252)
At 31 March 2017	-	19,294	19,294
Carrying amount			
At 31 March 2017	-	2,549	2,549
At 31 March 2016	682	7,418	8,100

12 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	71,858	204,768
Amounts due from group undertakings	9,377	2,846
Other debtors	21	22
Prepayments and accrued income	127,382	234,504
	<u>208,638</u>	<u>442,140</u>

SHAW COMMUNITY LIVING (DCA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

12 Debtors (Continued)

	2017	2016
	£	£
Amounts falling due after more than one year:		
Deferred tax asset (note 16)	5,855	7,411
	<u>5,855</u>	<u>7,411</u>
Total debtors	<u>214,493</u>	<u>449,551</u>

The amounts owed by other group companies are unsecured, interest-free and repayable on demand unless otherwise stated.

13 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	12,315	15,686
Amounts due to group undertakings	2,091	36,321
Other taxation and social security	29,377	41,180
Other creditors	28,769	10,073
Accruals and deferred income	52,870	162,253
	<u>125,422</u>	<u>265,513</u>

The amounts owed to other group companies are unsecured, interest-free and repayable on demand unless otherwise stated.

14 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Other borrowings	1,165,000	1,165,000
	<u>1,165,000</u>	<u>1,165,000</u>

15 Loans and overdrafts

	2017	2016
	£	£
Loans from group undertakings	1,165,000	1,165,000
	<u>1,165,000</u>	<u>1,165,000</u>

Borrowings are repayable as follows:

	2017	2016
	£	£
Loans from parent undertaking		
Payable within one year	-	-
Payable between two and five years	375,000	375,000
Payable after five years	-	-
	<u>375,000</u>	<u>375,000</u>

SHAW COMMUNITY LIVING (DCA) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

15 Loans and overdrafts

(Continued)

The loans are unsecured. Interest was charged during the year at a rate of 2%. The company has received a letter from its parent undertaking that repayment of the loans will not be demanded within 12 months of the signing of the financial statements (see note 1.2).

	2017	2016
	£	£
Loans from group undertakings		
Payable within one year	-	-
Payable between two and five years	790,000	790,000
Payable after five years	-	-
	<u>790,000</u>	<u>790,000</u>

The loans are unsecured. Interest was charged during the year at a rate of 2%. The company has received a letter from the respective group undertakings that repayment of the loans will not be demanded within 12 months of the signing of the financial statements (see note 1.2).

	2017	2016
	£	£
Total borrowings		
Payable within one year	-	-
Payable between two and five years	1,165,000	1,165,000
Payable after five years	-	-
	<u>1,165,000</u>	<u>1,165,000</u>

16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2017 £	Assets 2016 £
Balances:		
Accelerated capital allowances	5,730	6,818
Other timing differences	125	593
	<u>5,855</u>	<u>7,411</u>
Movements in the year:		2017 £
Liability/(Asset) at 1 April 2016		(7,411)
Charge to profit or loss		1,556
Liability/(Asset) at 31 March 2017		<u>(5,855)</u>

SHAW COMMUNITY LIVING (DCA) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2017****16 Deferred taxation****(Continued)**

The directors are of the opinion that the asset is recoverable due to taxable profits forecast to be made by the company in the future.

17 Retirement benefit schemes

	2017	2016
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	14,876	19,151

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000

The company has one class of ordinary shares which carry no right to fixed income.

The company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

19 Operating lease commitments**Lessee**

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

	2017	2016
	£	£
Within one year	32,326	50,081
Between two and five years	15,692	52,874
	48,018	102,955

20 Related party transactions

During the year, services were provided to the company by The Shaw Foundation Limited, a company related by way of common directors, of £nil (2016 - £836). There were no outstanding amounts owed at either year-end.

SHAW COMMUNITY LIVING (DCA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

21 Controlling party

The parent company and ultimate controlling party is Shaw healthcare (Group) Limited, a company incorporated and registered in England and Wales. The smallest and largest group for which consolidated financial statements are prepared which include the results of the company is headed by Shaw healthcare (Group) Limited, the financial statements of which are available from the Company Secretary, 1 Links Court, Links Business Park, St Mellons, Cardiff CF3 0LT.