



Shaw Community Services Limited

Registered Number : 4603309

Financial Statements

Year Ended 31 March 2015

1 Links Court, Links Business Park, St Mellons, CARDIFF CF3 0LT

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ANNUAL REPORT AND FINANCIAL STATEMENTS 2015

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P J Nixey, MA (Oxon)
R S Brown, ACMA, ATII
A Thomas, BA, FCA

REGISTERED OFFICE

1 Links Court
Links Business Park
St Mellons
Cardiff
CF3 0LT

BANKERS

Allied Irish Bank
2 Callaghan Square
Cardiff
CF10 5AZ

SOLICITORS

Eversheds Solicitors
1 Callaghan Square
Cardiff
CF10 5BT

Blake Morgan Solicitors
Bradley Court
Park Place
Cardiff
CF10 3DP

AUDITOR

Deloitte LLP
Cardiff

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the audited financial statements, for the year ended 31 March 2015.

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

PRINCIPAL ACTIVITIES

The principal activity of the company during the course of the year was that of the provision of domiciliary care.

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 accounts.

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

RESULTS AND DIVIDENDS

The profit and loss account for the year is set out on page 6. The profit for the year before taxation was £73,548 (2014 -£124,567). The directors cannot recommend a dividend for the year (2014 - £nil).

BUSINESS RISKS

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.

DIRECTORS

The directors of the company, who served throughout the financial year and subsequently, are as shown on page 1.

TAXATION STATUS

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

DISABLED EMPLOYEES

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.

DIRECTORS' REPORT (continued)

AUDITOR

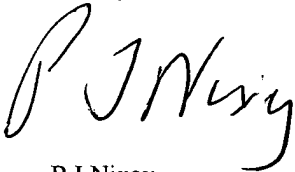
In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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.

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'P J Nixey', written in a cursive style.

P J Nixey
Director

24 September 2015

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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; 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHAW COMMUNITY SERVICES LIMITED

We have audited the financial statements of Shaw Community Services Limited for the year ended 31 March 2015 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 17. 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).

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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; or
- the directors were not entitled to take advantage of the small companies' exemption from preparing a Strategic Report or in preparing the Directors' Report.



David Hedditch (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cardiff, United Kingdom
24 September 2015

SHAW COMMUNITY SERVICES LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 March 2015

	Note	2015 £	2014 £
TURNOVER	2	4,613,666	4,874,227
Operating costs		<u>(4,516,206)</u>	<u>(4,750,910)</u>
OPERATING PROFIT	3	97,460	123,317
Interest receivable	5	751	24,860
Interest payable	5	<u>(24,663)</u>	<u>(23,610)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		73,548	124,567
Tax on profit on ordinary activities	6	<u>(16,207)</u>	<u>(10,484)</u>
PROFIT FOR THE FINANCIAL YEAR	13	<u><u>57,341</u></u>	<u><u>114,083</u></u>

All amounts relate to continuing activities.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES Year ended 31 March 2015

	2015 £	2014 £
Profit for the financial year	57,341	114,083
Actuarial loss relating to the pension scheme	<u>-</u>	<u>(1,346)</u>
Total recognised gains and losses relating to the year	<u><u>57,341</u></u>	<u><u>112,737</u></u>

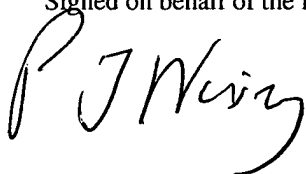
SHAW COMMUNITY SERVICES LIMITED

BALANCE SHEET As at 31 March 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	7		15,362		25,555
CURRENT ASSETS					
Debtors					
– due within one year	8	450,852		580,236	
– due after one year	8	7,898		8,745	
Cash at bank and in hand		101,265		28,189	
			<u>560,015</u>	<u>617,170</u>	
CREDITORS: amounts falling due within one year	9	(210,301)		(334,990)	
NET CURRENT ASSETS			<u>349,714</u>	<u>282,180</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			365,076		307,735
CREDITORS: amounts falling due after more than one year	10		<u>(1,165,000)</u>	<u>(1,165,000)</u>	
NET LIABILITIES			<u>(799,924)</u>	<u>(857,265)</u>	
CAPITAL AND RESERVES					
Share capital	12		1,000		1,000
Profit and loss account	13		<u>(800,924)</u>	<u>(858,265)</u>	
SHAREHOLDERS' DEFICIT	14		<u>(799,924)</u>	<u>(857,265)</u>	

The financial statements of Shaw Community Services Limited, registered number 4603309, were approved by the Board of Directors and authorised for issue on 24 September 2015.

Signed on behalf of the Board of Directors



P J Nixey
Director



R S Brown
Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

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. The notes to the financial statements of Shaw healthcare (Group) Limited include the group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

As shown in the profit and loss account, the company achieved a profit before taxation in the year ended 31 March 2015 of £73,548 (2014 – £124,567). However, the company remains in a net liabilities position at 31 March 2015 of £799,924 (2014 - £857,265) due to earlier 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.

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. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated so as to write off the cost of tangible fixed assets, less any estimated residual value, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

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

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2015

1. ACCOUNTING POLICIES (continued)

Revenue recognition

The company recognises revenue as care is provided.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term.

Cash flow statement

Under Financial reporting Standard 1, the company is not required to prepare a cash flow statement as it qualifies as a small company.

2. 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 revenue recognition policy.

	2015 £	2014 £
Turnover represents		
Domiciliary care fees	4,613,666	4,874,227

3. OPERATING PROFIT

	2015 £	2014 £
Operating profit is stated after charging:		
Depreciation of tangible fixed assets – owned assets	10,193	14,917
Auditor's remuneration – audit fees	3,000	3,000
Operating lease rentals – plant and machinery	16,995	19,886
– other	12,582	39,690

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2015

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2015 £	2014 £
Wages and salaries	3,547,961	3,652,127
Social security costs	181,062	196,973
Pension costs	14,192	37,097
	<u>3,743,215</u>	<u>3,886,197</u>
	No.	No.
The average number of persons (excluding directors) employed analysed by function was:		
Administration	13	9
Care home staff	325	325
	<u>338</u>	<u>334</u>

The directors of Shaw Community Services Limited are remunerated by Shaw healthcare (Group) Limited for 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.

5. INTEREST RECEIVABLE/(PAYABLE)

	2015 £	2014 £
Interest receivable and similar income		
Bank and other loan interest	751	233
Net finance income relating to defined benefit pension scheme	-	24,627
	<u>751</u>	<u>24,860</u>
Interest payable and similar charges		
Bank and other loan interest	(24,663)	(23,610)

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2015

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2015 £	2014 £
Current taxation		
United Kingdom corporation tax:		
Current tax on income for the year at 21% (2014 - 23%)	-	-
Group relief	15,360	19,229
	<u>15,360</u>	<u>19,229</u>
Total current tax charge	<u>15,360</u>	<u>19,229</u>
Deferred tax		
Origination and reversal of timing differences	847	(8,745)
	<u>847</u>	<u>(8,745)</u>
Total tax charge for the year	<u>16,207</u>	<u>10,484</u>
The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:		
	£	£
Profit on ordinary activities before tax	73,548	124,567
	<u>73,548</u>	<u>124,567</u>
Tax on profit on ordinary activities before tax at 21% (2014 - 23%)	15,445	28,650
Factors affecting charge for the year		
Utilisation of brought forward losses	-	(12,513)
Capital allowances in excess of depreciation	(85)	-
Depreciation in excess of capital allowances	-	3,402
Other timing differences	-	(310)
	<u>-</u>	<u>(310)</u>
Current tax charge for the year	<u>15,360</u>	<u>19,229</u>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 March 2015 has been calculated based on the rate of 20% substantively enacted at the balance sheet date..

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2015

7. TANGIBLE FIXED ASSETS

	IT equipment £	Fixtures and fittings £	Total £
Cost			
At 1 April 2014 and 31 March 2015	42,419	31,676	74,095
Depreciation			
At 1 April 2014	27,187	21,353	48,540
Charge for the year	6,543	3,650	10,193
At 31 March 2015	33,730	25,003	58,733
Net book value			
At 31 March 2015	8,689	6,673	15,362
At 31 March 2014	15,232	10,323	25,555

8. DEBTORS

	2015 £	2014 £
Amounts falling due within one year		
Trade debtors	335,973	398,702
Amounts owed by group undertakings	611	3
Other taxation and social security	38	6
Other debtors	5,227	3,553
Prepayments and accrued income	109,003	177,972
	450,852	580,236
Amounts falling due after more than one year		
Deferred tax	7,898	8,745

A deferred tax asset of £7,898 (2014 - £8,745) has been recognised at 31 March 2015. The asset has arisen as a result of timing differences relating to capital allowances. 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.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	4,534	5,010
Amounts owed to related parties	-	214
Amounts owed to group undertakings	15,854	22,095
Other taxation and social security	38,950	39,315
Other creditors	2,240	1,050
Accruals and deferred income	148,723	267,306
	210,301	334,990

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2015

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015 £	2014 £
Loans owed to parent undertaking	375,000	375,000
Loans owed to group undertakings	790,000	790,000
	<u>1,165,000</u>	<u>1,165,000</u>

11. BORROWINGS

	2015 £	2014 £
Loans owed to parent undertaking		
Between one and two years	<u>375,000</u>	<u>375,000</u>

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).

	£	£
Loans owed to group undertakings		
Between one and two 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).

12. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

13. STATEMENT OF MOVEMENTS ON RESERVES

	2015 £	2014 £
Profit and loss account		
At 1 April	(858,265)	(971,002)
Profit for the financial year	57,341	114,083
Actuarial loss net of deferred tax	-	(1,346)
	<u>(800,924)</u>	<u>(858,265)</u>
At 31 March		

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2015

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2015	2014
	£	£
At 1 April	(857,265)	(970,002)
Profit for the financial year	57,341	114,083
Actuarial loss net of deferred tax	-	(1,346)
	<u> </u>	<u> </u>
At 31 March	<u>(799,924)</u>	<u>(857,265)</u>

15. RETIREMENT BENEFIT SCHEMES

During the prior year Shaw Community Services Limited participated in the Greater Manchester Pension Fund (Wigan), a defined benefit pension scheme. The company ended its participation of the scheme during the prior year by means of a settlement whereby it was relieved of its obligations in respect of the scheme in exchange for a payment to participants.

16. FINANCIAL COMMITMENTS

Operating leases

At 31 March, the company had annual commitments under non-cancellable operating leases as follows:

	Buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Expiry date				
- within one year	10,860	7,626	-	1,995
- between two and five years	11,880	33,600	27,833	19,488
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>22,740</u>	<u>41,226</u>	<u>27,833</u>	<u>21,483</u>

17. RELATED PARTY TRANSACTIONS

During the year, services of £818 were provided to the company by The Shaw Foundation Limited, a company related by way of common directors, and services of £129 were provided to The Shaw Foundation Limited by the company. Amounts owed to The Shaw Foundation Limited of £nil (2014 - £214) are disclosed under amounts owed by related parties in note 9 to the financial statements.

The company takes exemption under FRS 8 'Related Party Disclosures' not to disclose transactions with entities, 100% of whose voting rights are controlled within the group.

18. PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The immediate and ultimate parent company 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.