Registered number: 07884044

AUTISM CARE UK (4) LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

These financial statements of Lifeways Finance Limited (06295365) are submitted for filing with the individual unaudited accounts of Autism Care UK (4) Limited (07884044) in accordance with the audit exemption requirements of Section 479A of the Companies Act 2006.

AUTISM CARE UK (4) LIMITED

COMPANY INFORMATION

Directors	J Tydeman (appointed 4 June 2018) M Stevens (appointed 28 June 2017) P Marriner (resigned 4 June 2018) K N Franklin (resigned 18 June 2017)
Registered number	07884044
Registered office	56 Southwark Bridge Road London SE1 0AS England
Bankers	HSBC Bank PLC 26 Broad Street Reading Berkshire RG1 2BU United Kingdom
Solicitors	Shoosmiths LLP Witan Gate House 500-600 Witan Gate West Milton Keynes MK9 1SH United Kingdom

AUTISM CARE UK (4) LIMITED

CONTENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The directors present their report and the unaudited financial statements for the year ended 31 August 2017.

Principal activity

The principal activity of Autism Care UK (4) Limited ("the Company") during the period continued to be the provision of services for people with autistic needs.

The directors who served during the year were:

P Marriner
M Stevens (appointed 28 June 2017)
K N Franklin (resigned 18 June 2017)

Results and dividends

The loss for the year, after taxation, amounted to £64,547 (2016 - profit £144,571).

There were no dividends paid in the year (2016: £nil).

Going concern

The directors manage cash flows, including debt facilities, on a group wide basis. In undertaking their assessment of going concern for the Company and Group, the directors have carried out a review of the Group's business and its future prospects. In particular, the directors have reviewed forecasted future performance and anticipated cash flows, taking into account available debt facilities and associated covenants. They have also considered sensitivities to these forecasts, including trading performance sensitivities and the impact of past and future Sleep-in liabilities, as well as the mitigating actions available to management, including in the downside scenario that debt facilities need to be rearranged. Taking into account the sensitivities, mitigating actions and the ongoing support from the Group's shareholders, it is the opinion of the directors that the Group will have sufficient resources available to meet liabilities as they fall due and consequently the financial statements have been prepared on a going concern basis.

The Company has the financial support of the parent company of the group, Listrac Holdings Limited. See note 19.

Post balance sheet events

There have been no post balance sheet events subsequent to year-end.

Qualifying third party indemnity provisions

During the year the Company had in force an indemnity provision in favour of one or more directors of Autism Care UK (4) Limited against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006.

AUTISM CARE UK (4) LIMITED

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

Audit Exemption taken for the year ended 31 August 2017

The Company is exempt from the requirements of the Companies Act 2006 relating to tone audit of individual accounts by virtue of Section 479A of that Act. The ultimate holding company and controlling party is Listrac Holdings Limited.

Small companies note

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on ...9. August 2018 and signed on its behalf.

....

M Stevens
Director 9-8-18

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 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; 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.

INCOME STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Turnover		**1,692,019**	1,995,583
Cost of sales		**(978,557)**	(1,132,746)
Gross profit		**713,462**	862,837
Administrative expenses		**(776,787)**	(721,451)
Operating (loss)/profit		**(63,325)**	141,386
Interest receivable and similar income	5	**2,169**	4,693
Interest payable and similar expenses	6	**(4,447)**	(3,054)
(Loss)/profit before tax		**(65,603)**	143,025
Tax on (loss)/profit	7	**1,056**	1,546
(Loss)/profit for the financial year		**(64,547)**	144,571

There were no recognised gains and losses for 2017 or 2016 other than those included in the Income Statement. Accordingly, no separate Statement of Comprehensive Income is presented.

The notes on pages 7 to 17 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2017

	Note		2017 £		2016 £
Fixed assets					
Tangible assets	9		**100,832**		106,862
			100,832		106,862
Current assets					
Debtors: amounts falling due within one year	10	**1,088,688**		664,185	
Cash at bank and in hand	11	**6,244**		5,727	
		1,094,932		669,912	
Creditors: amounts falling due within one year	12	**(901,989)**		(417,396)	
Net current assets			**192,943**		252,516
Total assets less current liabilities			**293,775**		359,378
Provisions for liabilities					
Deferred tax	13	**(412)**		(1,468)	
Other provisions	14	**(48,000)**		(48,000)	
			(48,412)		(49,468)
Net assets			**245,363**		309,910
Capital and reserves					
Called up share capital			**1**		1
Profit and loss account			**245,362**		309,909
			245,363		309,910

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on ..9. August 2018.

....
M Stevens 9-8-18
Director

The notes on pages 7 to 17 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 September 2016	1	309,909	309,910
Comprehensive loss for the year			
Loss for the year	-	(64,547)	(64,547)
Total comprehensive loss for the year	-	(64,547)	(64,547)
At 31 August 2017	1	245,362	245,363

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 September 2015	1	165,338	165,339
Comprehensive income for the year			
Profit for the year	-	144,571	144,571
Total comprehensive income for the year	-	144,571	144,571
At 31 August 2016	1	309,909	309,910

The notes on pages 7 to 17 form part of these financial statements.

1. Accounting policies

1.1 General information

Autism Care UK (4) Limited ("the Company") provides services for people with autistic needs. The Company is a private company, limited by shares and is incorporated in England and Wales. The address of the registered office is the registered office is 56 Southwark Bridge Road, London, SE1 0AS, United Kingdom.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The financial statements are stated in pounds sterling, which is the Company's functional and presentational currency.

1.3 Going concern

The directors manage cash flows, including debt facilities, on a group wide basis. In undertaking their assessment of going concern for the Company and Group, the directors have carried out a review of the Group's business and its future prospects. In particular, the directors have reviewed forecasted future performance and anticipated cash flows, taking into account available debt facilities and associated covenants. They have also considered sensitivities to these forecasts, including trading performance sensitivities and the impact of past and future Sleep-in liabilities, as well as the mitigating actions available to management, including in the downside scenario that debt facilities need to be rearranged. Taking into account the sensitivities, mitigating actions and the ongoing support from the Group's shareholders, it is the opinion of the directors that the Group will have sufficient resources available to meet liabilities as they fall due and consequently the financial statements have been prepared on a going concern basis.

The Company has the financial support of the parent company of the group, Listrac Holdings Limited. See note 19.

1. Accounting policies (continued)

1.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long term leasehold property	-	Straight line over the shorter of the remaining period of the lease or the useful life
Motor vehicles	- 20%	straight line
Fixtures and fittings	- 20%	straight line
Office equipment	- 20%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income statement.

1.6 Impairment of fixed assets

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1. Accounting policies (continued)

1.7 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

1. Accounting policies (continued)

1.7 Financial instruments (continued)

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

1.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the life of the lease.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 September 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

1.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1. Accounting policies (continued)

1.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a pension scheme. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

1.11 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 Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgments, estimates and assumptions about the carrying amounts 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Recoverability of trade debtors
The assessment of whether trade debtors are recoverable, requires judgement. An allowance for impairment is made where in the view of directors, there is evidence in the reduction of the recoverability of future cash flows. There is a degree of uncertainty around the estimates made in calculating the current year bad debt provision.

Sleep-ins contingent liability
In determining whether to record backdated Sleep-in costs as a provision, the directors, with appropriate legal advice and representations, and in light of the positive outcome on the Mencap case, have not recognised a provision. Where it is judged there is a liability an accrual has been recognised. Refer to note 14 for contingent liability.

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

3. Employees

	2017	2016
	£	£
Staff costs we as follows:		
Wages and salaries	**1,129,159**	1,170,952
Social security costs	**70,048**	70,175
Cost of defined contribution scheme	**6,027**	6,351
	1,205,234	1,247,478

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

	2017	2016
	No.	No.
Direct care and administration staff	**84**	85

4. Directors' remuneration

No remuneration was paid or is payable to the directors in their capacity as directors of the Company (2016: £nil). The directors receive remuneration from a fellow group undertaking, Lifeways Community Care Limited in respect of services to the group of which the Company is a member. Total remuneration payable by the enlarged group to the directors of the Company (including pension scheme contributions) was £772,963 (2016: £506,922). It is not possible to identify the proportion of this remuneration that relates to this company.

5. Interest receivable

	2017	2016
	£	£
Interest receivable from group companies	**2,169**	4,693
	2,169	4,693

6. Interest payable and similar charges

	2017	2016
	£	£
Loans from group undertakings	**4,447**	3,054
	4,447	3,054

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

7. Taxation

	2017 £	2016 £
Foreign tax	-	-
UK corporation tax	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	**(2,737)**	(2,221)
Changes to tax rates	**197**	(163)
Adjustment in respect of previous periods	**1,484**	838
Total deferred tax	**(1,056)**	(1,546)
Taxation on profit	**(1,056)**	(1,546)

Factors affecting tax charge for the year

The standard rate of corporation tax in the UK is 19.00% (2016: 20.00%). The difference between standard rate and the effective rate of corporation tax are explained below:

	2017 £	2016 £
(Loss)/profit before tax	**(65,603)**	143,025
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19.58% (2016 - 20.00%)	**(12,846)**	28,605
Effects of:		
Expenses not deductible	**1,226**	1,387
Tax rate changes	**197**	(163)
Adjustment from previous periods	**1,484**	838
Group relief	**8,883**	(32,213)
Total tax charge for the year	**(1,056)**	(1,546)

Factors that may affect future tax charges

The Company's profits for this accounting period are taxed at an effective rate of 20%. The standard rate of Corporation tax in the UK reduced from 20% to 19% with effect from 1 April 2017. Further, reductions in the standard rate to 17% with effect from 1 April 2020 were enacted during the period. Deferred tax balances, if recognised are stated at a rate of 17% as the impact of balances reversing at other rates are expected to be immaterial.

8. Tangible fixed assets

	Long term leasehold Property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 September 2016	**101,608**	**17,365**	**33,417**	**9,362**	**161,752**
Additions	**-**	**13,210**	**4,728**	**-**	**17,938**
At 31 August 2017	**101,608**	**30,575**	**38,145**	**9,362**	**179,690**
Depreciation					
At 1 September 2016	**19,467**	**14,360**	**18,879**	**2,184**	**54,890**
Charge for the year on owned assets	**10,161**	**4,574**	**7,360**	**1,873**	**23,968**
At 31 August 2017	**29,628**	**18,934**	**26,239**	**4,057**	**78,858**
Net book value					
At 31 August 2017	**71,980**	**11,641**	**11,906**	**5,305**	**100,832**
At 31 August 2016	82,141	3,005	14,538	7,178	106,862

9. Debtors

	2017 £	2016 £
Trade debtors	**190,022**	81,586
Amounts owed by group undertakings	**581,891**	504,896
Other debtors	**64,653**	178
Prepayments and accrued income	**252,122**	77,525
	1,088,688	664,185

Amounts owed by group undertakings are repayable on demand inclusive of interest.

10. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	**6,244**	5,727
	6,244	5,727

11. Creditors: Amounts falling due within one year

	2017 £	2016 £
Payments received on account	**41,114**	69,452
Trade creditors	**34,131**	1,820
Amounts owed to group undertakings	**518,962**	67,653
Other taxation and social security	-	31,693
Other creditors	**148,147**	81,624
Accruals and deferred income	**159,635**	165,154
	901,989	417,396

Amounts owed to group undertakings are repayable on demand inclusive of interest.

12. Deferred taxation

	2017 £	2016 £
At beginning of year	**(1,468)**	(3,014)
Adjustment in respect of prior years	**(1,485)**	(838)
Deferred tax charge to income statement for the period	**2,541**	2,384
At end of year	**(412)**	(1,468)

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Fixed asset timing differences	**(1,728)**	(1,628)
Short term timing differences - trading	**1,316**	160
	(412)	1,468

13. Provisions

	Dilapidations provision £
At 1 September 2016	**48,000**
At 31 August 2017	**48,000**

Dilapidations provision

The dilapidations provision represents the directors' estimate of the present value of amounts potentially owed in respect of dilapidation's to leased properties occupied by the Company. The provision is expected to be utilised in line with the expiration of the operating leases over one to five years. The provisions for dilapidations are not discounted.

14. Contingent liabilities

The Company employs 84 (2016: 85) members of staff throughout the business.

In this company, employees provide "sleep-ins" services and are paid an allowance for doing so. Sleep-ins are provided only if specified by the Local Authorities and have historically been contracted by them at a flat payment rate. The group's employees were also paid a flat rate for sleep-in on-call arrangements.

In the opinion of the directors, and of many companies in the sector, HMRC guidance on the National Minimum Wage (NMW) is clear that sleep-ins are not considered to be working time for the purposes of NMW. Following the outcome of a number Employment Tribunals, later BEIS guidance suggested that sleep-in shifts could potentially be deemed as working time depending on particular facts. Following this case HMRC provided further guidance on Sleep-ins and NMW in October 2016.

Following a lengthy period of dialogue between Government, HMRC and the health/ social care industry, on 26 July 2017 the Government announced that NMW would apply to pay periods commencing on or before this date and that no penalties would be applied for any underpayment of NMW relating to Sleep-ins for periods prior to this date.

On the 1 November 2017 further guidance was issued by the Government that it was setting up the Social Care Compliance Scheme (SCCS). The SCCS was set up to recognise the complexity employers will face in calculating any back pay liability given the six year time period HMRC are recognizing for back payments and the number of staff potentially involved. The SCCS is not compulsory and gives employers in our sector twelve months to calculate any historic underpayments to employees on Sleep-in's, and then a further three months to make those payments. The Lifeways group of companies will join this scheme.

Autism Care UK (4) Limited is part of Listrac Holding Limited group of companies, also known as the Lifeways group.

The group is involved in two legal cases that challenge HMRC's position, the first of these being the key case taken by Mencap to the Court of Appeal on an Employment Tribunal previously lost. This case has been heard and on the 20th July 2018 judgement was delivered in favour of Mencap. The effect of this decision undermines HMRC's position that NMW applies to Sleep-in payments.

Unison have stated publicly that they may support their member in an application to appeal the decision to the Supreme Court. Any such application would be subject to the granting of permission. At this stage therefore, the prospect of any appeal is speculative.

As the law currently stands, the effect of the Mencap decision accords with our previous treatment of sleep-in shifts.

The directors of the parent group of companies, have considered all aspects of the issue and consider that following the successful outcome of the Mencap case no provision should be included in the current year accounts.

15. Guarantees

The Company's assets are held as guarantee over the Listrac Holding Limited group's lending with HSBC Corporate Trustee Company (UK) Limited. The value of the loan is £179.8m.

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

16. Commitments under operating leases

At 31 August 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017
	£
Less than 1 year	**347,783**
Between 2 to 5 years	**1,392,085**
Later than 5 years	**6,805,112**

17. Pension commitments

During the year ended 31 August 2017 the Company operated a defined contribution pension scheme into which the Company paid contributions of £6,027 (2016: £6,351). Contributions totalling £721 (2016: £998) were included within creditors as at the year end.

18. Related party transactions

The Company is taking advantage of the exemption contained in FRS 102 not to disclose transactions with other group companies.

19. Controlling party

The Company's immediate parent company is Autism Care (UK) Limited, registered in England and Wales.

The parent undertaking of the smallest group in which the results of this entity is consolidated is Lifeways Finance Limited, a company incorporated in England and Wales. Copies of the group financial statements of Lifeways Finance Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ. The address of Lifeways Finance Limited's registered office is 56 Southwark Bridge Road, London, United Kingdom, SE1 0AS.

The ultimate parent undertaking of the largest group which includes the results of the Company and for which group financial statements are prepared is Listrac Holdings Limited, a company incorporated in Jersey, Channel Islands. The address of Listrac Holdings Limited is 44 The Esplanade, St Helier, Jersey, JE4 9WG. Copies of the group financial statements of Listrac Holdings Limited may be obtained from the registered office of this company.

The Company is a portfolio company of OMERS Administration Corporation ("OMERS") as administrator of the OMERS pension plans and trustee of the pension funds.