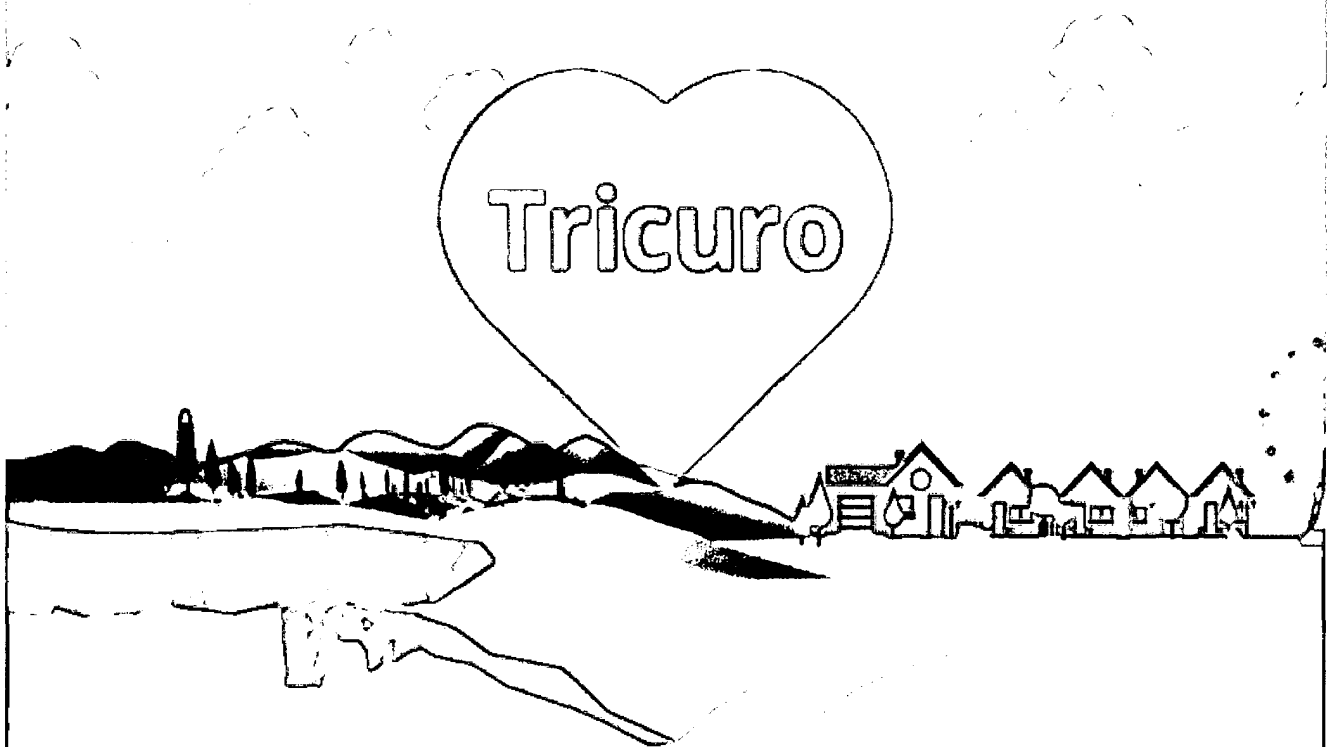


Tricuro Limited
 Statement of Accounts
 2019-20
 Company No: 09536732



Tricuro is a Local Authority Trading Company wholly owned by Dorset Council and Bournemouth, Christchurch and Poole Council.



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Steven Pink
Finance Director
Tricuro
Beech House
28-30 Wimborne Road
Poole
Dorset
BH15 2BU

Tricuro Ltd Company Number 09536732

STRATEGIC REPORT

Overview

On 1 July 2015, Bournemouth Borough Council, Dorset County Council and the Borough of Poole, launched Tricuro. Tricuro is a group of two companies established under local authority trading company principles to take the transfer of the three authorities' supply-side Adult Social Services business, with staff transferring from each of the three authorities in order to provide care services. All councils in Dorset were involved in Local Government Reorganisation (LGR). This change took effect from 1 April 2019 and resulted in Tricuro having two shareholders (Dorset Council and Bournemouth, Christchurch and Poole Council) instead of three. All contracts and agreements were novated to the new two unitary authorities under the structural change order.

Tricuro has two companies (a care company Tricuro Limited and a 'support function' company Tricuro Support Limited) managed by the same Board.

Tricuro Support Limited holds the contractual relationships with the two commissioning Councils, as well as the property leases and support services agreements with the two providing Councils.

Tricuro Limited employs all the staff and is registered with CQC as the provider and provides all the care requirements to service users.

Each authority owns one ordinary share in Tricuro Support Limited, which in turn owns 100% of the equity of Tricuro Limited. Tricuro's turnover in 2019-20 was £42.3m (the year to 31 March 2019 saw the group turnover £40.3m). A shareholder agreement regulates the way in which the two councils manage Tricuro, including a profit /cost sharing agreement. Dorset Council is contracted to provide support services to Tricuro, the value of this contract was £1.002m for the period to 31 March 2020. Bournemouth, Christchurch and Poole Council also provides certain support services to the company. The cost of this was £619k for the period to 31 March 2020.

Tricuro has the following main areas of service delivery. All shareholders treat Tricuro as a joint venture in their respective financial statements in 2019-20.

Tricuro has the following main areas of service delivery.

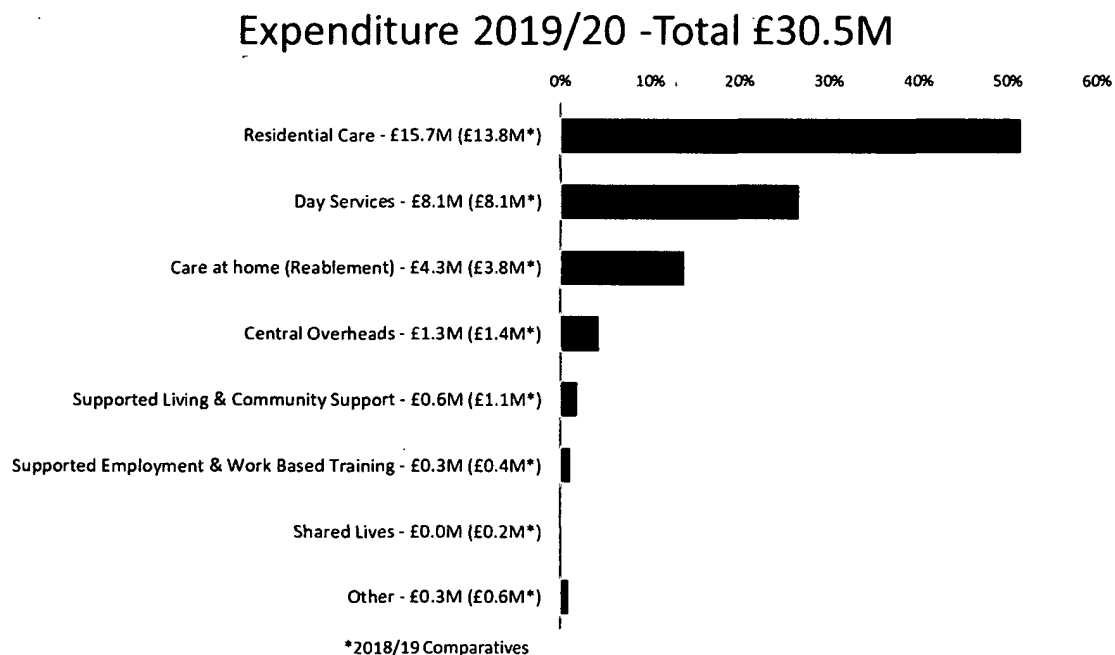
- Residential Care Homes - 7 homes providing residential care for older people, 1 home providing residential and nursing care for older people and 2 homes providing residential care for people with a learning disability.
- Reablement, providing short term support for up to six weeks, enabling people to regain and maximise daily living skills and independence in their own homes with one home providing intermediate care services.
- Day opportunities and other services provide a range of services with identified support needs (older people, dementia, learning disability, mental health, physical disability).

STRATEGIC REPORT

Strategic Vision

Following the COVID-19 outbreak and building on the flexibility and dedication our workforce has shown, Tricuro will be working closely with its shareholder community and respective commissioning teams to undertake a review and modernisation of our service portfolio. This will ensure that we continue to offer person-centered services which maximise Independence and provides high quality support, where needed, that compare favourably in a challenging market. We will also use this as an opportunity to develop the business including our growth and income potential.

The following charts show spend on services and the source of income in 2019-20.



Key Performance Indicators

The directors monitor the performance of the Company utilising a balanced scorecard. A range of "Key Performance Indicators" (KPI's) including activity levels, employee absenteeism and quality measures against care standards are measured through this process, these include Financial KPI's e.g. cost per bed and cost per day session. The company has a Quality Assurance Committee which looks at a range of information from various sources to ensure the delivery of high-quality services.

The Quality Assurance Framework includes client feedback, staff voices, views from a carer representative who is a member of the Committee, qualitative data from KPI's and CQC inspections and peer review reports.

STRATEGIC REPORT

The key performance indicators for the period ended 31 March 2020 together with comparatives for the year ended 31 March 2019 are as follows:

	2019-20	2018-19
	(£)	(£)
Group Revenue	30,527,748	29,368,725
Gross Profit	509,975	1,141,498
Gross Margin	1.67%	3.89%
Interest Receivable	2,495	2,122
Net Margin	0.00%	0.00%
Average employee numbers	1,485	1,453

Risks and Uncertainty

The principal risk facing the Company is the requirement at all times to ensure the delivery of safe and compliant services and the associated reputational risk if the company fails to safeguard and provide high quality services to its customers. This risk is mitigated through maintaining high standard robust policies and procedures, developing strong relationships with customers and ensuring continuous investment in staff development through internally and externally provided training.

The principal uncertainty facing the Company is the impact of COVID-19 on both the business directly and the Local Authority Shareholders. It is likely that both Council's will see significantly reduced incomes which will lead to savings in expenditure funding being required. Tricuro would be expected to play its part in finding a share of any cost reductions. There will also be changes to the way we work, not only in the short term but undoubtedly in some degree for the foreseeable future. This will lead to changes in our ability to generate private income, the base cost of running services, the type of services we deliver and many other factors. Our ability to be flexible and adapt will determine the scale and success of the business going forward.

During 2020-21 Tricuro will be continuing to build a network of customers, suppliers and potential partners in Social Care. Tricuro is able to demonstrate financial stability due to Bournemouth, Christchurch and Poole Council and Dorset Council being our shareholders as well as our major customers. This demonstrates a low risk as our shareholders fully support Tricuro.

The effect of Brexit has so far been minimal for Tricuro. Whilst there may be impact from the final trade deals negotiated with Europe, again they are likely to be minimal. Tricuro does not trade directly with Europe so it should have no direct effect on our revenue. Brexit may have a slight impact on our ability to recruit dependent on the final agreements over free movement of employees from Europe. The care industry is typically a large recruiter of European workers and any reduction in the "pool" of workers available may see pressure put on our ability to recruit or increase the cost of agency staff.

STRATEGIC REPORT

COVID-19

The outbreak of the coronavirus in the UK in 2020 had caused some major changes to the way in which the care sector, and Tricuro, has to operate. The biggest risk to the company is if our residential homes suffer a catastrophic outbreak of the virus as it presents a significant risk to life for our profile of clients, many of whom are already on end of life care or suffer significant existing medical issues.

Long before the UK went into "lockdown" Tricuro already closed our residential homes to non-essential visitors only allowing, for example, medical practitioners to visit. We also instigated strong infection control measures at this early stage. Tricuro already had a very stringent infection control policy to deal with outbreaks such as Norovirus and these were easily adapted to suit the new virus outbreak. These measures appear to have been very successful in protecting our residents. Whilst we have seen a number of cases within our homes, and a small number of "unexpected" deaths, the volume of these appears significantly lower than in many other private providers (although exact data is not available for comparison at this time).

Furthermore, to protect the clients who attend our day services it was decided early on to close our day centres and provide some care at home for those most vulnerable. This means that we lose the opportunity to generate much of our private income from these services equating to an estimated £0.5M loss of income.

The outbreak also put significant pressure on our staffing numbers. With some staff requiring to self-isolate and some on the shielding list there is an increased pressure on how to keep staffing numbers up in both residential homes and our reablement (care at home) services. The staff from the now closed day services were redeployed into these areas to support their running and mitigate against the potential increase in agency staff (which can have an impact on both cost and quality of service).

Two new funds have been made available by central government (via the local authorities) to support the care sector and Tricuro will be making full use of these where allowable. These funds are currently considered sufficient to support Tricuro's financial position and not put the company at any increased financial risk.

Pensions

Tricuro participates in the Dorset County Pension Fund, the administering authority for the Fund is Dorset County Council. The Pension Fund Committee oversees the management of the Fund whilst the day to day fund administration is undertaken by a team within the administering authority.

Employer contribution rates are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The last actuarial valuation of the Fund was carried out as at 31 March 2019 and set contribution rates for the period from 1 April 2020 to 31 March 2023. Tricuro is not responsible for any past pension deficits that emerge, their contributions will either be fixed or set to be equal to the cost of future benefits. The rate determined by the actuary in 2019-20 for the next period to 2023 is 20.8%.

STRATEGIC REPORT

Going Concern

The accounts have been prepared on a going concern basis and it is the belief of the Board that the Company will continue to operate as a going concern given the majority of its income is from our shareholders and the quality of our services are good. Both local authority shareholders have extended the current care contracts from 30 June 2020 to 30 June 2021 whilst undertaking a strategic review of all of their commissioned care services before looking to put a new longer-term care contract in place for July 2021. This is likely to see some structural changes with potential for both reductions and additions to the number and type of services contracted, providing an updated, more relevant, service offering for the residents of both authorities. Tricuro's cash position is healthy, our owners are also our major customers. We have an agreed block contract with both councils' and our contract income is paid monthly on a timely basis, therefore there is no issue for the company to pay its future creditors.

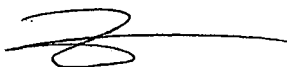
Both Councils were reviewing the value and quality of all their contracted services, including Tricuro, when the COVID-19 outbreak occurred. This has obviously caused a delay to this process and has the potential to change the type of services the Local Authorities wish to procure. Tricuro is in a unique position to work in close partnership with the Local Authorities to help them shape and deliver a new future for adult social care in Dorset. Emergency funds have been made available to Tricuro to cover the increased costs/loss of earnings facing the business in responding to the COVID outbreak. These equate to a basic 10% uplift on contract value with further specific funds available for areas such as infection control.

We are also working closely with suppliers to manage the new/increased demands on the business and are utilising our existing staffing resource, including temporary reallocations, to manage the increase staff absences caused by staff sickness and self-isolating.

Current assessments of the additional costs, loss of earning and the uplift funds present no cause for concern on Tricuro's budgets or our cash flow.

This strategic report is only part of the company's annual accounts and a copy of these accounts and annual report are available on the Tricuro website www.tricuro.co.uk.

By order of the Board



Steven Pink - Finance Director

Registered Address
Beech House, 28-30 Wimborne Road
Poole, Dorset, BH15 2BU

25 June 2020

DIRECTORS' REPORT

Principal activities

The directors present the annual report and audited financial statements for Tricuro Limited (the "Company") for the period from 1 April 2019 to 31 March 2020.

The Company was incorporated on 10 April 2015 and commenced trading on 1 July 2015. The Company is a subsidiary of Tricuro Support Limited who owns 100% of share capital. The Company is principally engaged in the provision of social care services for vulnerable adults across Dorset, Bournemouth and Poole.

Results

Profit after tax for the period amounted to £nil (2019 - £nil) and Dividends £nil (2019 – dividends £nil)

Directors

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

Colin Dennis (Chairman)
Alison Waller (Managing Director – to February 2020)
Graham Wilkin (Interim Managing Director – From March 2020)
Phil Rook (Finance Director – to June 2019)
Steven Pink (Finance Director – From June 2019)
Susan Ladbroke (HR Director)
Alan Bulloch (Non-Executive Director - Chair of Audit, Risk and Governance Committee)
Andrea Peacock (Non-Executive Director – Chair of Remuneration Committee)
Jane Pike (Non-Executive Director – Chair of Quality Assurance Committee)

Directors' statement of compliance with duty to promote the success of the company

Engaging with our stakeholders (section 172(1) statement)

The Board has a duty to promote the success of the company for the benefit of its members as a whole having regards to the interests of our shareholders, our clients, our employees, our relationships with our suppliers and the impact of our operations on the communities in which we operate, and to ensure that we maintain a reputation for high standards of care and business conduct.

Our key stakeholders are our shareholders, our clients, our employees and the communities we operate in. Our suppliers and regulators are also important stakeholder groups. All key Board decisions consider the impact on relevant stakeholders. Increasingly, stakeholders are looking to understand our performance across multiple areas from performance to services, community engagement, innovation, governance, workplace practices and corporate citizenship. The Board endeavours to gain an understanding of the perceptions and attitudes of each stakeholder groups and the weight they give to different issues. Where the views of different stakeholder group do not align, the Board must decide on the best course of action to promote the Group's long-term success.

Clients

Our clients are at the heart of our business. We aim to deliver sector leading standards of client experience ensuring high quality care, client outcomes and value for money.

DIRECTORS' REPORT

Employees

As a service organisation, our employees are key to our business. We want our employees to feel engaged and empowered to deliver great outcomes for our clients and to be healthier and happier themselves. We hold a regular employee forum and run an annual employee survey to engage and integrate our employee's ideas into the heart of running the business.

Regulators

The groups residential homes and reablement services are regulated by the Care Quality Commission (CQC) and other relevant regulators. Regulators ultimately aim to protect clients and ensure they receive high levels of care and are treated fairly and safely. This clearly aligns with our strategy to put our clients at the heart of everything we do.

Our regulators expect us to:

- Have robust and efficient processes and controls in place to mitigate risks to protect our clients
- Provide a high-quality, clinically robust services
- Ensure we operate in a sustainable way

The business has an open and honest relationship with the CQC and self-reports incidents. We work with the CQC to ensure we meet regulatory requirements and we act quickly to address any issues or concerns raised.

Suppliers

Suppliers are critical to delivering a high-quality service to our clients and include suppliers of services, systems and products to our sites across the County. We aim to treat our suppliers fairly and pay them within agreed timescales, holding ourselves to high standards of business conduct. We work with our suppliers to ensure that they have effective controls in place to protect our clients' health and safety and the security and privacy of their data.

Communities and environment

We play an active role in the communities in which we operate and take care of the environment. We evaluate the business risks and opportunities associated with climate change, closely managing our environmental impact and actively promoting positive environmental practices.

Employee Involvement and Disabled Employees

The company continues to keep employees informed of matters affecting them and the financial and economic factors affecting the performance of the company. This is achieved through consultations and regular newsletters. Applications for employment by disabled persons are given full and fair consideration. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the group may continue. It is the policy of the company that training, career development and promotion opportunities should be available to all employees.

Political contributions

The Company did not make any political donations or incurred any political expenditure during the period (2019 – donations £nil).

DIRECTORS' REPORT

Other Information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on pages 2 – 5.

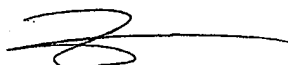
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and directors have 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.

Auditor

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

By order of the Board



Steven Pink
Finance Director – 25 June 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

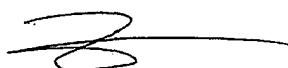
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial 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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the Board



Steven Pink
Finance Director

Registered Address
Beech House
28-30 Wimborne Road
Poole
Dorset
BH15 2BU

25 June 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRICURO LIMITED

Opinion

We have audited the financial statements of Tricuro Limited ("the company") for the year ended 31 March 2020 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its results for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRICURO LIMITED

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 10, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

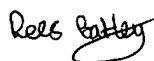
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRICURO LIMITED

The purpose of our audit work and to whom we owe our responsibilities

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.



Rees Batley (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

26 June 2020

Profit and Loss Account and Other Comprehensive Income

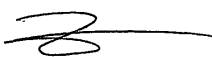
for the period from 1 April 2019 to 31 March 2020

The accompanying notes form part of these financial statements

	Note	2018-19	2019-20
		£	£
Turnover	2	29,368,725	30,527,748
Cost of sales		(28,227,227)	(30,017,773)
Gross profit		1,141,498	509,975
Other operating expenses		(1,143,620)	(512,469)
Operating loss		(2,122)	(2,494)
Interest Receivable	8	2,122	2,494
Profit before taxation		-	-
Tax on profit on ordinary activities	9	-	-
Profit for the financial period			
Other Comprehensive Income		-	-
Total Comprehensive income for the period		-	-

2018-19				2019-20	
<p style="text-align: center;">Tricuro Ltd Balance Sheet as at 31 March 2020 <i>The accompanying notes form part of these financial statements</i></p>					
£	£		Note	£	£
		Current Assets			
305,721		Debtors	11	203,838	
262,252		Cash at bank and in hand	12	626,759	
<u>567,973</u>				<u>830,597</u>	
		Liabilities			
(545,602)		Creditors; amounts falling due within one year	13	(808,316)	
(22,370)		Provisions	14	(22,280)	
<u>(567,972)</u>				<u>(830,596)</u>	
	<u>1</u>	Net Current Assets			<u>1</u>
	<u>1</u>	Total Assets less Current Liabilities			<u>1</u>
	<u>1</u>	Net Assets			<u>1</u>
		Capital and Reserves			
1		Called Up Share Capital	15	1	
	<u>1</u>	Equity			<u>1</u>

These financial statements were approved by the board of directors on 25 June 2020 and were signed on its behalf by



Steven Pink
Finance Director
Tricuro Ltd - Company Number 09536732

Statement of Changes in Equity			
for the period from 1 April 2019 to 31 March 2020			
<i>The accompanying notes form part of these financial statements</i>			
	Called up Share Capital	Retained Earnings	Total equity
	£	£	£
Balance at 1 April 2019	1	-	1
Total comprehensive income for the period			
Profit	-	-	-
Issue of Shares	-	-	-
Balance at 31 March 2020	<u>1</u>	<u>-</u>	<u>1</u>

Statement of Changes in Equity			
for the period from 1 April 2018 to 31 March 2019			
	Called up Share Capital	Retained Earnings	Total equity
	£	£	£
Balance at 1 April 2018	1	-	1
Total comprehensive income for the period			
Profit	-	-	-
Issue of Shares	-	-	-
Balance at 31 March 2019	<u>1</u>	<u>-</u>	<u>1</u>

Cash flow Statement		
for the period from 1 April 2019 to 31 March 2020		
<i>The accompanying notes form part of these financial statements</i>		
	2018-19	2019-20
	£	£
Cash flows from operating activities		
Profit for the period	-	-
Adjustments for:		
Interest receivable and similar income	(2,122)	(2,495)
(Increase) in trade and other debtors	123,153	101,883
Increase / (decrease) in trade and other creditors	(152,179)	262,714
Increase / (decrease) in provisions and employee benefits	(60)	(90)
Net cash from operating activities	(31,208)	362,012
Investing activities		
Interest received	2,122	2,495
Net cash from investing activities	2,122	2,495
Net increase / (decrease) in cash and cash equivalents	(29,086)	364,507
Cash and Cash equivalents at start of the period	291,338	262,252
Cash and Cash equivalents at the end of the period	262,252	626,759

1. STATEMENT OF ACCOUNTING POLICES

1. Introduction

Tricuro Ltd is a company limited by shares and incorporated and domiciled in the UK. These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102")* as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All activities commenced this financial year.

2. Accounting Policies

The company's parent is Tricuro Support Ltd which includes the company in its consolidated financial statements. In these financial statements, the company is considered to be a qualifying entity under FRS 102 paragraphs, 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied.

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.
- The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

3. Going Concern

The Board have considered the overall financial position of Tricuro and the use of the going concern basis of preparation. The Board note that Tricuro Limited provide resources to the parent Tricuro Support Limited to enable the delivery of the care services contracts. The Board note that the main contracts are with Shareholders of Tricuro, with both contracts due to expire in June 2021 after a twelve-month extension was agreed at the December 2019 Executive Shareholder Group meeting. Discussions are ongoing with both Councils to extend the contracts from June 2021.

Both Councils were reviewing the value and quality of all their contracted services, including Tricuro, when the COVID-19 outbreak occurred. This has obviously caused a delay to this process and has the potential to change the type of services the

Local Authorities wish to procure. Tricuro is in a unique position to work in close partnership with the Local Authorities to help them shape and deliver a new future for adult social care in Dorset. At the balance sheet date 31st March 2020 Tricuro retains a strong cash position of £8M, a net current asset position of £2M and future forecasts demonstrate that Tricuro has sufficient resources to meet financial liabilities as they fall due.

Based on the financial position and ongoing review of the contracts with Shareholders, The Directors have a reasonable expectation that the Company will continue in operational existence for at least 12 months from the date of this report and therefore that it is appropriate to prepare the financial statements on the going concern basis

4. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

5. Financial Instruments

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

6. Government Grants

Government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

1. STATEMENT OF ACCOUNTING POLICES

7. Share Capital

The Company's ordinary share is classified as an equity instrument.

8. Employee Benefits

Benefits payable during employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense in the period in which employees render service to the Company.

An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial period.

Post-employment benefits

Tricuro Ltd is an admitted body within the Local Government Pension Scheme, a defined benefit scheme administered by Dorset County Council.

Defined benefit plans

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013, is contracted out of the State Second Pension and currently provides benefits based on career average revalued salary and length of service on retirement.

Tricuro's pensions are accounted for as defined contribution plans under which Tricuro pays fixed contributions into the Dorset County Pension Fund. Tricuro has no legal or constructive obligation to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

9. Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

10. Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

11. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of Tricuro's accounting policies, management is required to make judgements, 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 experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. 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 main assumption concerning the future, and other key sources of estimation uncertainty are assessed at the Balance Sheet date. There are no areas that are considered to be key sources of estimation and uncertainty within the current year. All other key sources of estimation and uncertainty are disclosed as appropriate within the notes to the Financial Statements.

NOTES: Forming part of the financial statements

2. TURNOVER (All within UK)

	2018-19	2019-20
Income from Tricuro Support Ltd	29,041,422	29,934,713
Other Income	327,303	593,035
	<u>29,368,725</u>	<u>30,527,748</u>

3. SEGMENTAL REPORTING

Tricuro has the following main divisions:

Residential Care Homes - 7 homes providing residential care for older people, 1 home providing residential and nursing care for older people and 2 homes providing residential care for people with a learning disability.

Reablement, providing short term support up to six weeks, enabling people to regain and maximise daily living skills and independence in their own home and one home providing intermediate care services.

Day opportunities and other services provide a range of services with identified support needs (older people, dementia, learning disability, mental health, physical disabilities).

Corporate Running Costs - central support team assisting operational, financial activities for Tricuro and support services charges from Dorset Council and Bournemouth, Christchurch and Poole Council.

Operating segments across the Group are combined for the internal reporting provided to the Board. However only Tricuro Ltd's costs are shown below.

	2018-19	2019-20
Income	£	£
Block Contract Income from Tricuro Support	29,041,422	29,934,713
Private Care Sales	301,741	560,433
Non-care sales/other income	25,562	32,602
	<u>29,368,725</u>	<u>30,527,748</u>

	2018-19	2019-20
Net Expenditure per Division	£	£
Residential Care Homes	13,467,120	14,646,388
Reablement and Intermediate Care	3,957,482	4,212,638
Day Opportunities and other services	10,150,400	9,776,678
Central Support Costs	1,793,723	1,892,044
	<u>29,368,725</u>	<u>30,527,748</u>

4. AUDIT FEES

Fees payable to the Tricuro's external auditor relating to the period of account are as follows. This fee covers Tricuro Ltd.

	2018-19	2019-20
	£	£
External Audit Services	18,120	24,900
Tax Compliance Services	3,450	4,206
	<u>21,570</u>	<u>29,106</u>

5. STAFF NUMBERS

The average number of persons employed by the company during the period was:

	2018-19	2019-20
Management	24	33
Residential Home Staff	509	550
Reablement	231	213
Other Frontline Staff	689	689
	<u>1,453</u>	<u>1,485</u>

6. REMUNERATION

The Managing Director was appointed on 1 August 2016. The Finance Director was appointed on a permanent basis from 1 March 2016. The HR Director was appointed on 16 January 2017. The Independent Chair was appointed on 1 November 2015 and two of the Non Executive Directors on 1 December 2015 with a third member appointed to the board on 1 November 2016. There have been no changes to the Board in 2018/19.

2018-19 Post Holder Information	Salary £	Pensions Contributions £	ER'sNI £	Total Remuneration £
Managing Director	100,000	-	12,637	112,637
Finance Director	80,800	14,302	9,988	105,090
HR Director	69,870	1,397	8,480	79,747
Independent Chair	10,000	-	217	10,217
Non Executive Director	2,750	-	0	2,750
Non Executive Director	2,000	-	-	2,000
Non Executive Director	2,000	-	-	2,000
	267,420	15,699	31,322	314,441

The Managing Director was the highest individually paid Director during 2018-19, paid £100,000 for the period from 1 April 2019 to 31 March 2020.

The Finance Director is the only Director who is a member of the Local Government Pension Scheme. The company paid £14,302 in employer pension contributions which is at the company LGPS rate of 17.7%. The HR Director is in the Blue Sky Pension Scheme.

2019-20 Post Holder Information	Contract payments £	Salary £	Pensions Contributions £	ER'sNI £	Total Remuneration £
Outgoing Managing Director		96,209		12,086	108,295
New Managing Director	21,450				21,450
Outgoing Finance Director		22,477	3,720	1,911	28,108
New Finance Director		59,369	11,146	7,698	78,213
HR Director		71,267	2,138	8,644	82,049
Independent Chair		10,000		189	10,189
Non Executive Director		2,000			2,000
Non Executive Director		2,750			2,750
Non Executive Director		2,000			2,000
	21,450	266,072	17,004	30,528	335,054

The Managing Director (MD) was the highest individually paid Director during 2019-20. There was a change in MD between February and March 2019. There was also a change in Finance Director in June 2019. This was initially a temporary appointment which was made permanent in December 2019. The Finance Director is also the Company Secretary and the only Director with pre-existing rights to continue with the Local Government Pension Scheme.

7. EMPLOYEE EXPENSES

An analysis of employee expenses incurred by Tricuro Ltd for the period is shown below.

	2018-19 £	2019-20 £
Wages and Salaries	23,661,534	25,394,729
Social Security contributions and similar taxes	1,625,446	1,770,095
Expenses related to defined benefit plans	2,940,246	2,852,949
Staff related expenses	1,143,621	512,470
	29,370,847	30,530,243

8. INTEREST RECEIVABLE

An analysis of interest received during the period by Tricuro Ltd is shown below.

	2018-19 £	2019-20 £
Bank Interest	2,122	2,494
	2,122	2,494

9. TAXATION

Tax Charge Per Accounts		
	2018-19 £	2019-20 £
Analysis of tax recognised in Profit and Loss Account		
Current tax		
UK corporation tax at 19%	-	-
Deferred Tax		
Origination and reversal of timing differences	-	-
Total deferred tax charge	-	-
Tax on profit on ordinary activities	-	-
Tax relating to other comprehensive income		
Origination and reversal of timing differences	-	-
Tax relating to other comprehensive income	-	-

Corporation Tax Payable		
	£	£
Profit for the period	-	-
Total tax expense	-	-
Profit excluding taxation	-	-
Tax using the UK corporation tax rate of 19%	-	-
Effects of:		
Expenses not deductible for tax purposes	-	-
Total tax expense included in profit or loss	-	-

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020.

10. RETIREMENT BENEFITS

Tricuro staff are members of the LGPS pension scheme. This is a defined benefit scheme providing members with benefits related to pay and length of service. The scheme is as follows: -

The Local Government Pension Scheme (LGPS) for Tricuro staff, is administered by Dorset Council. This is a funded scheme, meaning that Tricuro and the employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

The scheme is only open to employees that transferred from Dorset County Council, Bournemouth Borough Council and Poole Borough Council. A new scheme has been introduced from 2016/17 for new employees not eligible to join the LGPS.

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013, is contracted out of the State Second Pension and currently provides benefits based on career average revalued salary and length of service on retirement.

The administering authority for the Fund is Dorset Council. The Pension Fund Committee oversees the management of the Fund whilst the day to day fund administration is undertaken by a team within the administering authority. Where appropriate some functions are delegated to the Fund's professional advisers.

As administering authority to the Fund, Dorset Council, after consultation with the Fund Actuary and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Statement of Investment Principles. These should be amended when appropriate based on the Fund's performance and funding.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The actuarial valuation of the Fund was carried out as at 31 March 2019 and determined contributions for the period from 1 April 2020 to 31 March 2023.

Tricuro's pensions are accounted for as defined contribution plans under which Tricuro pays fixed contributions into the Dorset County Pension Fund. Tricuro has no legal or constructive obligation to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Thus, the amount of the post-employment benefits received by the employee is determined by the amount of contributions paid by an entity (and perhaps also the employee) to a post-employment benefit plan or to an insurer, together with investment returns arising from the contributions. The defined benefit pension liability is therefore held on the balance sheets of the shareholders of Tricuro.

11. DEBTORS

An analysis of amounts due to Tricuro Ltd is shown below.

2018-19 £		2019-20 £
42,110	Other Debtors	178,023
278,422	Tricuro Support Ltd (payable on demand)	84,714
(14,811)	Payments in Advance	(58,899)
<u>305,721</u>		<u>203,838</u>

Any debt between Tricuro Support Ltd and Tricuro Ltd is interest free and repayable on demand.

12. CASH AND CASH EQUIVALENTS

An analysis of cash and cash equivalents for Tricuro Ltd is shown below.

2018-19 £		2019-20 £
<u>262,252</u>	Cash at Bank and in Hand	<u>626,759</u>
<u>262,252</u>		<u>626,759</u>

13. CREDITORS

An analysis of amounts due by Tricuro Ltd is shown below.

2018-19 £		2019-20 £
(600,948)	Other Creditors	(838,136)
-	Deferred Income	(38,485)
<u>55,346</u>	HMRC	<u>68,305</u>
<u>(545,602)</u>		<u>(808,316)</u>

The VAT debtor balance is shown here as Tricuro pays VAT on a group basis and for the group the VAT position is a creditor.

Any debt between Tricuro Support Ltd and Tricuro Ltd is interest free and repayable on demand.

14. CALLED UP SHARE CAPITAL

£
Allotted, called up and fully paid shown as at 31 March 2019 and 31 March 2020:
1 ordinary share of £ 1 each owned by Tricuro Support Ltd
<u>1</u>

15. RELATED PARTIES

The income received in 2018/19 and 2019/20 has been from Tricuro Support Ltd who fully own the Company (Tricuro Ltd).

	2018-19
	Sales to
	£
<i>Entities with control, joint control or significant influence</i>	
Tricuro Support Ltd	29,041,422
	<u>29,041,422</u>
	Receivables Creditors
	outstanding outstanding
<i>Entities with control, joint control or significant influence</i>	£ £
Tricuro Support Ltd	278,422 -
	<u>278,422 -</u>

	2019-20
	Sales to
	£
<i>Entities with control, joint control or significant influence</i>	
Tricuro Support Ltd	29,934,713
	<u>29,934,713</u>
	Receivables Creditors
	outstanding outstanding
<i>Entities with control, joint control or significant influence</i>	£ £
Tricuro Support Ltd	84,714 -
	<u>84,714 -</u>

16. ULTIMATE PARENT UNDERTAKINGS

The ultimate controlling parties are Dorset Council and Bournemouth, Christchurch and Poole Council. Shares of the financial results of Tricuro are included in their respective financial statements. The addresses are: Bournemouth, Christchurch and Poole Council, Bourne Avenue Bournemouth, Dorset, BH2 6DY, Dorset Council, South Walks House, South Walks Road, Dorchester, Dorset, DT1 1UZ.

The largest and smallest group in which the results of the Company are consolidated is that headed by Tricuro Support Limited, Beech House, 28-30 Wimborne Road, Poole, Dorset, BH15 2BU.