

Indigo Care Services Limited

**Directors' report and financial
statements**

Registered number 09593918

31st March 2016

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Company information

Director	PC Mancey D Johnson P Tomlinson R Hewson (resigned 23 rd June 2015)
Company number	09593918
Registered office	The Hamlet Hornbeam Park Harrogate HG2 8RE
Auditor	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA
Bankers	National Westminster Bank plc 8 Market Place Huddersfield HD1 2AL
Solicitors	Pinsent Masons LLP 1 Park Row Leeds LS1 5AB

Directors' Report

The directors present their report and financial statements of the company for the period from incorporation on 15th May 2015 to 31st March 2016.

Principal activities

The company's principal activity during the year was the provision of residential and nursing care for the elderly.

Directors

The directors who served the company during the year were as follows:

PC Mancey (appointed 23rd June 2015)

D Johnson (appointed 23rd June 2015)

P Tomlinson (appointed 23rd June 2015)

R Hewson (appointed 15th May 2015, resigned 23rd June 2015)

Statement as to disclosure of information to the Auditor

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the relevant steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

Strategic report

The company is exempt from the requirement to prepare a strategic report on the grounds of its size.

Signed on behalf of the directors



D Johnson
Director

The Hamlet
Hornbeam Park
Harrogate
HG2 8RE

5th December 2016

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing 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; 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 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.



KPMG LLP

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDIGO CARE SERVICES LIMITED

We have audited the financial statements of Indigo Care Services Limited for the period ended 31 March 2016 set out on pages 8 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Indigo Care Services Limited

(continued)

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 the requirement to prepare a strategic report.



Chris Butt (Senior Statutory Auditor)

For and on behalf of
KPMG LLP
Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

12 December 2016

Profit and loss account

From incorporation on 15th May 2015 to 31st March 2016

	<i>Note</i>	2016 £
Turnover	2	1,296,092
Cost of sales		(485,430)
		<hr/>
Gross profit		810,662
Administrative expenses		(303,104)
		<hr/>
Operating profit		507,558
		<hr/>
Interest payable	4	(3,103)
		<hr/>
Profit on ordinary activities before taxation	3	504,455
		<hr/>
Taxation	7	(14,268)
		<hr/>
Profit for the financial year		490,187
		<hr/> <hr/>

The notes on pages 11 to 17 form an integral part of these financial statements.

Other Comprehensive Income

From incorporation on 15th May 2015 to 31st March 2016

	2016 £
Profit for the year	490,187
	<hr/>
Other comprehensive income	-
	<hr/>
Total comprehensive income for the year	490,187
	<hr/>

Balance sheet

As at 31st March 2016

	Note	2016 £
Fixed assets		
Tangible fixed assets	8	99,380
Investments	9	435,602
		<hr/>
		534,982
Current assets		
Debtors: due within one year	10	2,054,480
Cash at bank and in hand		37,741
		<hr/>
		2,092,221
Creditors: amounts falling due within one year	11	(2,128,544)
		<hr/>
Net current assets		(36,323)
		<hr/>
Total assets less current liabilities		498,659
		<hr/>
Deferred tax provision	12	(8,471)
		<hr/>
Net assets		490,188
		<hr/>
Capital and reserves		
Called up share capital	13	1
Profit and loss account		490,187
		<hr/>
Shareholder's funds		490,188
		<hr/>

The notes on pages 11 to 17 form an integral part of these financial statements

These financial statements were approved by the board of directors on 5th December 2016 and were signed on its behalf by:



D Johnson
Director

Company registration no: 09593918

Statement of changes in equity

As at 31st March 2016

	Share capital	Profit and loss account	Total Equity
	£	£	£
Balance at 15th May 2015	-	-	-
Total comprehensive income for the period			
Profit for the year	-	490,187	490,187
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	490,187	490,187
Transactions recorded directly in equity			
Issue of shares	1	-	1
Balance at 31st March 2016	1	490,187	490,188

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of accounting

Indigo Care Services Limited (the "Company") 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.

The Company's ultimate parent undertaking, Cortina Race LLP includes the Company in its consolidated financial statements. The consolidated financial statements of Cortina Race LLP are prepared in accordance with Financial Reporting Standard 102 as adopted by the EU and are available to the public and may be obtained from 21 Palmer Street, London, SW1H 0AD. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

The directors have prepared cash flow forecasts which show the company having adequate resources to continue in operational existence for the foreseeable future. The directors have therefore continued to adopt the going concern basis of accounting in preparing the financial statements.

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged to the profit and loss accounts on a straight-line basis over the estimated useful lives of each asset. The depreciation rates are as follows:

Fixtures, fitting and equipment 20% straight line.

The company assesses at each reporting date whether tangible fixed assets are impaired. Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Notes (continued)

1 Accounting policies (Continued)

Leased assets and obligations

Rentals applicable to operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged to the profit and loss account as incurred. The lease payments are structured to increase in-line with rates of inflation.

Revenue recognition

Revenue is recognised at the point at which services are supplied to residents. Where services are performed gradually over time, revenue is recognised as the activity progresses by reference to the value of the services provided.

2 Turnover

Turnover is attributable to one activity and originates entirely from the United Kingdom.

3 Profit on ordinary activities before taxation

	2016 £
Profit on ordinary activities before taxation	
This is stated after charging:	
Depreciation	6,457
Auditor's remuneration for statutory audit	18,000
Operating leases – land and buildings	133,720
	<hr/> <hr/>

4 Interest receivable and interest payable

	2016 £
Other interest payable	3,103
	<hr/> <hr/>

5 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	2016 No.
Care Staff	191
	<hr/> <hr/>

Notes (continued)

5 Staff numbers and costs (Continued)

The aggregate payroll costs of these persons were as follows:

	2016 £
Wages and Salaries	280,958
Social security costs	31,358
Pension cost	2,413
	<hr/> 314,729 <hr/>

6 Directors' remuneration

No directors' remuneration is receivable by the directors for their services to this company in the current year and is borne by other group companies and £11,213 has been allocated for the director's time based on number of beds across the group.

7 Tax on profit on ordinary activities

Total tax expense recognised in the profit and loss account

	2016 £
<i>Current Tax</i>	
Current tax on income for the period	5,797
Adjustments in respect of prior periods	-
Total current tax	<hr/> 5,797 <hr/>
<i>Deferred tax</i>	
Origination and reversal of timing differences	8,471
Total deferred tax	<hr/> - <hr/>
Total income tax expense	<hr/> 14,268 <hr/>

Notes (continued)

7 Tax on profit on ordinary activities (Continued)

Factors affecting tax charge for the year

The tax charge assessed for the period is lower than the applicable rate of corporation tax in the UK of 20%. The differences are explained below:

Profit on ordinary activities before tax	504,455
	<hr/>
Tax on profit on ordinary activities at standard CT rate of 20%	100,891
Effects of:	
Permanently disallowable items	35,515
Group relief claimed	(121,197)
Deferred tax rate changes	(941)
	<hr/>
Total tax charge for the year	14,268
	<hr/>

8 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 15 th May 2015	-
Additions	105,837
	<hr/>
At 31 st March 2016	105,837
	<hr/>
Depreciation	
At 15 th May 2015	-
Charged for the period	6,457
	<hr/>
At 31 st March 2016	6,457
	<hr/>
Net book value	
At 31 st March 2016	99,380
	<hr/>
At 15 th May 2015	-
	<hr/>

Notes (continued)

9 Investments

	Shares in group undertakings £
Additions	435,602
At 31st March 2016	435,602

The Company has the following investments in subsidiaries:

	Aggregate of capital and reserves £000	Profit or loss for the year £000	Country of incorporation	Class of shares held	Ownership 2016 %	Ownership 2015 %
Cherry Health Care Limited	(33)	1,456	UK	Ordinary	100%	100%
Loxley Health Care Limited	(91)	(59)	UK	Ordinary	100%	100%

10 Debtors

	2016 £
Trade debtors	278,123
Unpaid share capital	1
Amounts owed by group undertakings	1,752,855
Other debtors	23,501
	2,054,480

11 Creditors

	2016 £
Amounts falling due within one year:	
Trade creditors	1,132,487
Amounts owed to group undertakings	671,860
Other tax and social security	300,744
Other creditors	3,259
Accruals and deferred income	14,397
Corporation tax	5,797
	2,128,544

Notes (continued)

12 Deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	Liabilities 2016 £	Total 2016 £
Accelerated capital allowances	8,471	8,471
Total tax liabilities	<u>8,471</u>	<u>8,471</u>

Reductions in the corporation tax rate to 19% from 1st April 2017 and 18% from 1st April 2020 were substantively enacted on 26th October 2015.

13 Equity share capital

	2016 £
Allotted and issued 1 ordinary shares of £1 each	<u>1</u>

14 Commitments under operating leases

The Company's future minimum operating lease payments are as follows:

	2016 £
Within one year	436,500
Between one and five years	2,676,000
	<u>3,112,500</u>

During the year £133,720 was recognised as an expense in the profit and loss accounts in respect of operating leases.

15 Ultimate parent undertaking

The Company is a subsidiary undertaking of Cortina Race LLP. The ultimate controlling party is Alchemy Special Opportunities Fund III LLP.

The largest group in which the results of the Company are consolidated is that headed by Cortina Race LLP, incorporated in the United Kingdom. The consolidated financial statements of these groups are available to the public and may be obtained from 21 Palmer Street, London, SW1H 0AD.

Notes (continued)

16 Related party transactions

As permitted by the exemption allowed under FRS 102 Section 33, transactions with wholly owned group member companies are not disclosed. There were no transactions with directors in the current period.

	Receivables 2016 £	Payables 2016 £
Entities with control, joint control or significant influence	-	-
Other related parties	-	69,408
	<hr/>	<hr/>
	-	69,408
	<hr/>	<hr/>

17 Pensions

The company operates a defined contribution scheme whose assets are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company and amounted to £2,413. Contributions totalling £2,413 were payable to the fund at the year end.

18 Post Balance Sheet Events

After the balance sheet date, 21 homes transferred into Indigo Care Services Limited from Loxley Health Care Limited.