

Registered number: 02196821

Castleoak Care Partnerships Limited
Annual report and financial statements
for the year ended 31 March 2018



Castleoak Care Partnerships Limited

Annual Report and Financial statements for the year ended 31 March 2018

Contents

Directors and advisers for the year ended 31 March 2018.....	1
Strategic report for the year ended 31 March 2018.....	2
Directors' report for the year ended 31 March 2018.....	4
Independent Auditors' report to the members of Castleoak Care Partnerships Limited.....	6
Income Statement for the year ended 31 March 2018.....	9
Statement of Financial Position as at 31 March 2018.....	10
Statement of Changes in Equity.....	11
Notes to the financial statements for the year ended 31 March 2018.....	12

Castleoak Care Partnerships Limited

Directors and advisers for the year ended 31 March 2018

The directors of the company who were in office during the year and up to the date of signing the financial statements were

Directors

S D Greenstreet (resigned on 31 March 2018)

C R Knight (resigned on 31 March 2018)

M W Knight (resigned on 31 March 2018)

C L Currie

D M Jones

A Duggan (appointed 01 April 2018)

Secretary

D M Jones

Registered office

Raglan House

Malthouse Avenue

Cardiff Gate Business Park

Cardiff

South Glamorgan

CF23 8BA

Independent auditors

PricewaterhouseCoopers LLP

One Kingsway

Cardiff

CF10 3PW

Castleoak Care Partnerships Limited

Strategic Report for the year ended 31 March 2018

Registered number: 02196821

Introduction

Castleoak Care Partnerships Limited (the "Company") is the construction arm of the Castleoak Holdings Limited Group (the "Group") an award-winning specialist solutions group working exclusively in the care, retirement and assisted living sector. We have worked exclusively in the care sector since 1996 and have designed and built over 200 care homes, 9,000 care beds and 2,000 extra care apartments across the UK.

Activity

The Company experienced a successful year and an increase in activity with turnover for the year increasing 4.2% to £72 million. The increase in turnover is primarily due an increase in construction activity particularly on larger Assisted Living Developments and Care Home projects linked to our Framework Agreement with a leading real estate funder. The year also saw the start of construction activity on the Birchgrove Assisted Living Development project in Sidcup, a rental Assisted Living development funded by Bridges Fund Management. The Company generated a profit before tax of £394k (2017: £483k profit). The Company's order book was over £72m at the end of June 2018 and turnover during the current financial year is projected to increase.

Cash Balances

The Company's operating performance coupled with strong cash management saw cash increase from £6.9m at 31 March 2017 to £7.1m at 31 March 2018.

Development

The Group's development business continues to deliver high quality care projects for our customers and funding partners. During the year the Company completed three care home projects under our exclusive Framework Agreement with a leading real estate funder delivering significant profits to the business. A further project under the agreement is currently on site with completion due early 2019.

Customer Satisfaction

The quality of our construction projects continues to be a central focus. We continue to focus on high quality product delivery and our efforts in this regard are reflected in the high level of repeat business and our high customer satisfaction scores.

Financial key performance indicators

The Directors consider the main key performance indicators to be turnover, profit before tax and cash (all of which are disclosed in the financial statements).

Castleoak Care Partnerships Limited

Strategic Report for the year ended 31 March 2018

Registered number: 02196821

Non-financial key performance indicators

The Directors use a number of non-financial key performance indicators to monitor the business, including: customer satisfaction scores, waste and carbon footprint, scores under the Considerate Constructors Scheme and quality and health and safety audit scores.

Principal risks and uncertainties

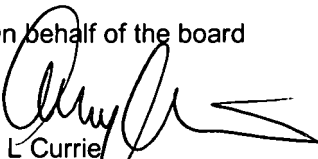
The key business risk affecting the Company is the level of demand for new care facilities in the UK healthcare sector. The Company tries to mitigate this risk by continuing to broaden its customer base and by stimulating demand through its development activities. The Company is also affected by price inflation, particularly in relation to construction materials and wages. The Company mitigates inflation risk by monitoring input prices closely, making allowances for inflation in selling prices and sharing inflation risk with its customers and suppliers.

Outlook

The outlook for the Company is extremely positive. We have made some significant changes to the business in recent years which will underpin future growth in activity and profit. We expect our Assisted Living activity to grow significantly in future periods and our track record in this market will enable us to deliver high quality schemes for our customers. We have the benefit of a strong order book and balance sheet, loyal and dedicated colleagues and I look forward to a productive year.

I would like to thank my colleagues and customers, suppliers, consultants and advisers for their support and commitment during the year.

On behalf of the board



C L Currie
Chief Executive Officer
17 August 2018

CastleOak Care Partnerships Limited

Directors' Report for the year ended 31 March 2018

Registered number: 02196821

The Directors present their annual report and audited financial statements of the Company for the year ended 31 March 2018.

Principal activities

The Company's principal activity during the year was the construction of care homes and other supported accommodation for the elderly.

Review of the business

The results for the year and the financial position of the Company at the year end are as shown in the attached financial statements. A review of the business and future developments is set out in the Strategic Report on page 2.

Results and dividends

The Company's profit for the financial year after taxation amounted to £394,644 (2017: £380,442 profit). No dividends have been paid in respect of the year ended 31 March 2018 (2017: £nil). The directors do not recommend payment of a final dividend (2017: £nil).

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements are listed on page 1.

Financial risk management

The Company's operations may expose it to a variety of financial risks that include the effects of changes in prices, credit risk, liquidity risk and interest rate risk. The Company seeks to limit the adverse effects on the financial performance of the company as follows:

Price risk

The Company is exposed to commodity price risk as a result of its operations. The Directors monitor movements in market prices on a regular basis, however, given the size of the Company's operations the costs of managing exposure to commodity price risk exceed any potential benefits. The Company has no exposure to equity securities price risk as it holds no listed debt or other equity investments.

Credit risk

The Company carries out credit checks on potential customers before contracts are entered into. Exposure to individual counterparties is mitigated by regular payment profiles and short credit terms.

Liquidity risk

The Company actively maintains sufficient liquid cash balances to fund its operations and is, therefore, not subject to significant liquidity risk.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Castleoak Care Partnerships Limited

Directors' Report for the year ended 31 March 2018

Registered number: 02196821

Statement of directors' responsibilities (continued)

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments 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.

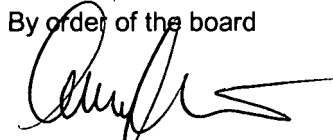
The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's 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.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



C L Currie
Director

17 August 2018

Castleoak Care Partnerships Limited

Independent auditors' report to the members of Castleoak Care Partnerships Limited

Report on the audit of the financial statements

Opinion

In our opinion, Castleoak Care Partnerships Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 March 2018; the income statement and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Castleoak Care Partnerships Limited

Independent auditors' report to the members of Castleoak Care Partnerships Limited

Report on the audit of the financial statements (cont.)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Castleoak Care Partnerships Limited

Independent auditors' report to the members of Castleoak Care Partnerships Limited

Report on the audit of the financial statements (cont.)

Auditors' responsibilities for the audit of the financial statements

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jason Clarke (Senior Statutory Auditor)

For and on behalf of PWC

One Kingsway

Cardiff

17 August 2018

Castleoak Care Partnerships Limited

Income Statement for the year ended 31 March 2018

	Note	2018 £	2017 £
Turnover	5	71,962,211	69,047,152
Cost of sales		(68,775,930)	(64,042,930)
Gross profit		3,186,281	5,004,222
Administrative expenses		(3,296,056)	(4,643,303)
Other operating income		88,619	119,446
Operating (loss)/profit	6	(21,156)	480,365
Loss on sale of fixed assets		(927)	-
Intercompany loan waiver		414,889	-
Interest receivable and similar income		4,626	4,240
Interest payable and similar expenses	9	(3,790)	(1,680)
Profit before taxation		393,642	482,925
Tax on profit	10	1,002	(102,483)
Profit for the financial year		394,644	380,442

All of the activities of the company are classed as continuing.

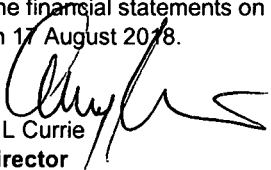
CastleOak Care Partnerships Limited

Statement of Financial Position as at 31 March 2018

Registered number: 02196821

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	238,856	321,200
Investments	12	350,000	350,000
		588,856	671,200
Current assets			
Debtors	13	20,174,060	18,389,762
Cash at bank and in hand		7,082,734	6,887,496
		27,256,794	25,277,258
Creditors: amounts falling due within one year	14	(21,057,162)	(21,858,674)
Net current assets		6,199,632	3,418,584
Total assets less current liabilities		6,788,488	4,089,784
Creditors: amounts falling due after more than one year	15	(4,558,393)	(2,254,333)
Net assets		2,230,095	1,835,451
Capital and reserves			
Called up share capital	18	1,400,050	1,400,050
Profit and loss account	19	830,045	435,401
Total equity		2,230,095	1,835,451

The financial statements on pages 9 to 23 were approved by the board of directors and were signed on its behalf on 17 August 2018.


C L Currie
Director

CastleOak Care Partnerships Limited

Statement of Changes in Equity for the year ended 31 March 2018

	Called up Share capital £	Profit and loss account £	Total Shareholders' funds £
At 1 April 2016	1,400,050	54,959	1,455,009
Profit for the financial year	-	380,442	380,442
At 31 March 2017	1,400,050	435,401	1,835,451
At 1 April 2017	1,400,050	435,401	1,835,451
Profit for the financial year	-	394,644	394,644
At 31 March 2018	1,400,050	830,045	2,230,095

Castleoak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2018

1 General Information

Castleoak Care Partnerships Limited ("the Company") is a specialist construction company working exclusively in the care and retirement living sector. The Company designs and builds care homes, assisted living and extra care apartments, care villages and specialist care schemes across the UK.

The Company is a private company limited by shares and is incorporated in the United Kingdom. The address of its registered office is Raglan House, Malthouse Avenue, Cardiff Gate Business Park, Cardiff CF23 8BA.

2 Statement of Compliance

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Company has adopted FRS 102 in the financial statements.

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with FRS 102 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 areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Consolidation

The Company is a wholly owned subsidiary of Castleoak Holdings Limited and is included in the consolidated financial statements of Castleoak Holdings Limited which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of Section 400 of the Companies Act 2006.

Financial instrument disclosures

The Company has taken the exemption, under FRS 102 paragraph 11.39 - 11.48A, from disclosing certain financial instrument disclosures as the equivalent disclosures are included in the consolidated financial statements of Castleoak Holdings Limited in which the Company is consolidated.

CastleOak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2018

3 Summary of significant accounting policies (continued)

Related parties

The Company has taken advantage of the exemption, under FRS 102 paragraph 33.2, from disclosing transactions with members of the same group that are wholly owned.

Key management personnel compensation

The Company has taken advantage of the exemption, under FRS 102 paragraph 33.7, from disclosing the Company key management personnel compensation.

Cash flow statement

The Company has taken the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, CastleOak Holdings Limited, includes the company's cash flows in its own consolidated financial statements.

Cash and cash equivalents

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

Functional and presentation currency

The Company's functional and presentation currency is the pound sterling.

Financial Instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

CastleOak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2018

3 Summary of significant accounting policies (continued)

Financial Instruments (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables and amounts owed to group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Going concern

The directors, having assessed the Company's detailed forecasts and projections, believe that, in view of secured long-term contracts and positive cash flows expected for the foreseeable future, it is appropriate to continue to prepare the financial statements on a going concern basis.

Revenue recognition

Revenue represents income from construction projects excluding value added tax. Revenue on long-term contracts is recognised according to the stage reached in the contract by reference to the value of work done. Profit on long-term contracts is taken as the work is carried out, if the final outcome can be assessed with reasonable certainty. The profit recognised is calculated to reflect the proportion of work carried out at the year end, by recording revenue and related costs as contract activity progresses. Unbilled revenue is included in debtors as amounts recoverable on long term contracts. Full provision is made for losses on all contracts in the period in which they are first foreseen.

CastleOak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2018

3 Summary of significant accounting policies (continued)

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Tangible assets

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. The cost of fixed assets represents their purchase cost, together with any incidental costs of acquisition. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing on the date of acquisition, of each asset evenly over their expected useful lives as follows:

Plant and machinery	25% - 33%
Furniture, fixtures and fittings	10% - 25%
Motor vehicles	30% - 33%

Castleoak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2018

3 Summary of significant accounting policies (continued)

Tangible assets (cont.)

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

Leasing and hire purchase commitments

Costs in respect of operating leases are charged in arriving at the operating profit on a straight line basis over the lease term.

Where fixed assets are financed by entering into leasing agreements, which transfer to the lessee substantially all the benefits and risks of ownership, the assets are treated as if they had been purchased and included in tangible fixed assets and the capital element of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements; the capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding.

Investment in subsidiary company

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

4 Judgements in applying accounting policies and key sources of estimation uncertainty

Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below

Profit recognition on long-term contracts

The Company realises through the income statement in accordance with the turnover accounting policy stated in note 3. This is reviewed on a monthly basis, any changes in the assumptions made will impact the profit recognised in the income statement.

CastleOak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2018

5 Turnover

Turnover is attributable to the one principal activity of the company in the United Kingdom.

6 Operating profit

	2018 £	2017 £
Operating profit is stated after charging:		
Depreciation of owned fixed assets	192,623	231,438
Operating lease rentals - plant and machinery	1,527,831	1,486,281
Services provided by the company's auditors:		
Fees payable for the audit	24,544	23,203
Fees payable for other services - taxation	14,000	14,000

7 Directors' emoluments

	2018 £	2017 £
Aggregate emoluments	94,000	119,861
Company contributions to defined contribution pension plans	5,954	9,742
	99,954	129,603

8 Employee information

The average monthly number of staff employed by the company during the financial year amounted to:

	2018 Number	2017 Number
By activity:		
Production	71	76
Administration	29	31
Management	7	6
	107	113

Castleoak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2018

8 Employee information (continued)

The aggregate payroll costs of the above staff for the year were:

	2018 £	2017 £
Wages and salaries	4,945,122	4,988,183
Social security costs	592,796	594,605
Other pension costs	244,119	250,793
	5,782,037	5,833,581

9 Interest payable and similar expenses

	2018 £	2017 £
Other loans	3,790	1,680
	3,790	1,680

10 Tax on profit

	2018 £	2017 £
Current tax:		
UK corporation tax on profit for the year	(2,392)	53,481
Adjustments in respect of previous periods	(5,188)	(4,453)
	(7,580)	49,028
Deferred tax:		
Origination and reversal of timing differences	2,666	52,982
Adjustments in respect of prior year	4,193	3,697
Changes in tax rates or laws	(281)	(3,224)
	6,578	53,455
Tax charge on profit on ordinary activities	(1,002)	102,483

Castleoak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2018

10 Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower (2017: higher than the standard rate of corporation tax in the UK 19% (2017: 20%).

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows:

	2018 £	2017 £
Profit before tax	393,642	482,925
Profit multiplied by:	19%	20%
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK 19% (2017: 20%)	74,792	96,585
Effects of:		
Expenses not deductible for tax purposes	4,311	9,760
Disallowable tax settlements	-	118
Income not taxable for taxation purposes	(78,829)	-
Change in tax rates	(281)	(3,224)
Adjustments in respect of previous periods	(995)	(756)
Current tax charge for year	(1,002)	102,483

A 17% UK corporation tax rate was substantively enacted on 6 September 2016 and will replace the current effective rate of 19% from 1 April 2020. This rate reduction has been reflected in the calculation of deferred tax at the balance sheet date.

Castleoak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2018

11 Tangible fixed assets

	Motor vehicles	Plant and machinery	Fixtures, fittings, tools and equipment	Total
	£	£	£	£
Cost or valuation				
At 1 April 2017	106,767	101,235	2,416,925	2,624,927
Additions	-	-	111,623	111,623
Disposals	(13,440)	-	-	(13,440)
At 31 March 2018	93,327	101,235	2,528,548	2,723,110
Depreciation				
At 1 April 2017	105,248	101,095	2,097,384	2,303,727
Charge for the year	-	-	192,623	192,623
On disposals	(12,096)	-	-	(12,096)
At 31 March 2018	93,152	101,095	2,290,007	2,484,254
Net book value				
At 31 March 2018	175	140	238,541	238,856
At 31 March 2017	1,519	140	319,541	321,200

12 Investments

	2018 £	2017 £
Shares in subsidiary undertakings	350,000	350,000

The Company's subsidiary undertaking at 31 March 2018 is:

Subsidiary undertaking	Activity	Ordinary shares of £1 each	Proportion held £
Castleoak Timber Frame Limited	Timber frame manufacture	350,000	100%

The above subsidiary is registered at the following address:

Raglan House, Malthouse Avenue, Cardiff Gate Business Park, Cardiff CF23 8BA

CastleOak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2018

13 Debtors

	2018 £	2017 £
Trade debtors	10,844,681	11,395,891
Bad Debt Provision	(11,378)	(11,378)
Amounts owed by group undertakings and undertakings in which the company has a participating interest	6,253,943	4,844,441
Deferred tax asset (see note 17)	28,685	35,262
VAT Recoverable	1,065,156	877,400
Other debtors	386,131	64,913
Prepayments and accrued income	585,170	363,622
Construction contract debtors	1,021,672	819,611
	20,174,060	18,389,762
Amounts due after more than one year included in:		
Trade debtors	1,005,888	1,951,404
	1,005,888	1,951,404

14 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	8,905,059	10,549,305
Amounts owed to group undertakings	136,073	1,380,879
Other taxation and social security	270,206	375,800
Other creditors	31,160	28,752
Accruals and deferred income	11,714,664	9,523,938
	21,057,162	21,858,674

15 Creditors: amounts falling due after one year

	2018 £	2017 £
Trade creditors	732,441	615,716
Amounts owed to group undertakings	3,825,952	1,638,617
	4,558,393	2,254,333

CastleOak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2018

16 Financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	2018 £	2017 £
Land and buildings:		
Within one year	616,809	567,372
Later than one year and not later than five years	1,922,529	2,048,529
	2,539,338	2,615,901
Other operating leases:		
Within one year	46,916	44,683
Later than one year and not later than five years	379,536	315,029
	426,452	359,712

17 Deferred tax asset

	2018 £	2017 £
Accelerated capital allowances	(28,685)	(35,262)
	(28,685)	(35,262)
	£	£
At 1 April	(35,262)	(88,717)
Charged to the profit and loss account	6,577	53,455
At 31 March	(28,685)	(35,262)

18 Called up share capital

	Nominal value	2018 Number	2018 £	2017 £
Allotted, called up and fully paid:				
Ordinary	£1 each	1,400,050	1,400,050	1,400,050
		1,400,050	1,400,050	1,400,050

Castleoak Care Partnerships Limited

Notes to the financial statements for the year ended 31 March 2018

19 Profit and loss account

	2018 £	2017 £
Profit and loss account		
At 1 April	435,401	54,959
Profit for the financial year	394,644	380,442
At 31 March	830,045	435,401

20 Pension contributions

The company operates a defined contribution scheme. Total contributions paid in the year amounted to £244,119 (2017: £250,793). There are no amounts outstanding at the year end (2017: £nil).

21 Ultimate parent company and controlling party

The immediate and ultimate parent undertaking and controlling party is Castleoak Holdings Limited, a company incorporated in England and Wales.

Castleoak Holdings Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 March 2018. The consolidated financial statements of Castleoak Holdings Limited are available from its registered office at Raglan House, Malthouse Avenue, Cardiff Gate Business Park, Cardiff CF23 8RA.