

Newcross Healthcare Solutions Limited

Annual report and financial statements

Registered number 03184321

30 April 2017

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Contents

	Page no.
Company information	1
Strategic report	2
Directors' report	3
Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements	4
Independent auditor's report to the members of Newcross Healthcare Solutions Limited	5
Profit and Loss Account and Other Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes	10

Company information

Directors

S Patrick
M Gorringe
G White
T O'Kennedy
H Chadwick

Secretary

S Patrick

Registered Office

Waterside
Berry Pomeroy
Totnes
TQ9 6LH

Registered number
03184321

Registered auditor

Ernst & Young LLP
The Paragon
Counterslip
Bristol
BS1 6BX

Bankers

Lloyds Banking Group
31-33 Fore Street
Totnes
TQ9 5HH

Strategic report

The Directors present their annual report and the audited financial statements for the year ended 30 April 2017.

Principal activities

The principal activity of the Company during the year was that of a business specialising in the placement and management of nursing and ancillary staff.

Review of business and future developments

The Company has had another strong year of concerted growth with 17.6% increase in turnover versus the prior year and consequent improved financial performance. Growth has been maintained by organically expanding the Newcross offer into new geographic areas by opening 10 new branches, particularly in Northern and South East England. The Company has continued to grow the value of existing contracts while successfully tendering for new contracts, maintaining its focus on delivering a differentiated, competitive offering characterised by the highest standards of care provision and clinical governance

The Company's focus remains maximising profit whilst delivering best value; ensuring all staff are trained, engaged and inducted into the philosophy of Newcross Healthcare. Quality is ensured by our rigorous recruitment, selection and ongoing, proprietary learning and development programmes. Through innovation, we continue to improve internal processes and services available to all stakeholders of the business most notably through increased investment in technology to foster best practice; developing the skills of our workforce and matching them with the evolving needs of our clients. All healthcare professionals are recruited to meet the relevant care regulations (Care Quality Commission in England, Care Inspectorate in Scotland, and Care and Social Services Inspectorate in Wales).

We monitor quality levels through client feedback; with services that are designed to delight our customers and as such improve the retention and engagement of our client and staff base; with over 99.8% of shifts completed to client satisfaction. To ensure that the service we provide meets customer expectation, we actively encourage and welcome any comments our internal and external customers may care to make. We have clearly defined procedures for handling complaints which are reviewed on a regular basis. The main KPIs used to monitor the business include performance against budgets, gross margin percentage, net profit margin, customer satisfaction, employee engagement, service quality, debtor days and cash conversion rates.

Further recent contract wins and the Company's widening delivery of specialist complex care services to the flourishing private sector has left Newcross well placed for profitable and sustainable growth in 2017/18 and beyond.

The Directors would like to thank all the employees of the Company for their hard work and commitment which has enabled us as a team to achieve excellent results.

Management of financial risk

The Company's operations expose it to a variety of financial risks, including the effects of credit risk, liquidity risk, interest rate risk and cash flow risk. The policies in place to mitigate the potential impact of these financial risks are as follows:

Where appropriate, credit checks are made prior to the appointment of a new customer and these are reviewed on a periodic basis together with ongoing checks in respect of existing customers. Weekly reviews of the debtors ledger are carried out with the finance and sales teams and action initiated, as appropriate, to collect any overdue amounts, thus optimising the company's liquidity position.

The rate of interest earned/paid on the Company's cash balances/loans and overdrafts are monitored on an ongoing basis by continuing review of rates available in the market. Deposits, loans and overdrafts are made with reference to these rates, in conjunction with projections of future cash requirements.

The Company actively maintains an appropriate level of cash reserves that are available for operations and planned expansions.

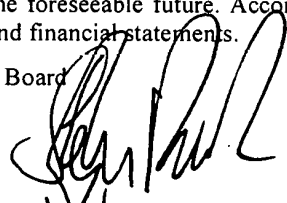
The Company has considerable financial resources together with long-term contracts with a number of customers. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

By order of the Board

S Patrick
Secretary

Dated:


29/1/18

Waterside
Berry Pomeroy
Totnes
TQ9 6LH

Directors' report

Results and Dividends

The Company's profit for the year is £16,844,577 (2016: £14,234,352). The Directors paid an equity dividend of £17,000,000 (2016: £7,997,818).

Directors

The Directors of the Company who were in place during the year and up to the date of approval of the financial statements are set out on page 1.

Donations

The Company made charitable donations during the year of £42,217 (2016: £15,042). The Company made no political donations.

Employees

The Company's policy is to consult and discuss with employees on a regular basis, through the company intranet, meetings and staff surveys, about matters likely to affect employees' interests. The Company encourages the involvement of employees in the Company's performance and promotes awareness of employees to the financial and economic factors that affect the performance through annual incentive compensation plan.

It is the Company's policy to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure that a suitable opportunity for each disabled person exists.

Arrangements are made, wherever possible, for retaining employees who become disabled to enable them to perform work identified as appropriate to their aptitudes and abilities.

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

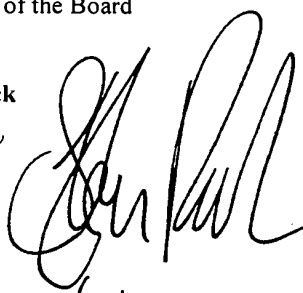
Auditor

Ernst & Young LLP were appointed as auditors during the year and have indicated their willingness to continue in office. A resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

S Patrick

Secretary



Dated:

21/1/18

Waterside
Berry Pomeroy
Totnes
TQ9 6LH

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

The directors are responsible for preparing the Strategic Report, 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 judgments 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; 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.

Independent auditor's report to the members of Newcross Healthcare Solutions Limited

We have audited the financial statements of Newcross Healthcare Solutions Limited for the year ended 30 April 2017 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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.

Independent auditor's report to the members of Newcross Healthcare Solutions Limited *(continued)*

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ▶ the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- ▶ the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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.

Ernst & Young LLP

*John Howarth (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol*

30-1-2018

Profit and Loss Account and Other Comprehensive Income
for the year ended 30 April 2017

	<i>Note</i>	2017 £	2016 £
Turnover	2	105,737,570	89,930,284
Cost of sales		(67,844,939)	(58,090,508)
Gross profit		37,892,631	31,839,776
Administrative expenses		(16,862,043)	(14,127,956)
Operating profit	3	21,030,588	17,711,820
Interest receivable	4	7,592	10,870
Profit before taxation		21,038,180	17,722,690
Tax on profit	7	(4,193,603)	(3,488,338)
Profit for the financial year		16,844,577	14,234,352

All items dealt with in arriving at the operating profit above relate to continuing operations.

There is no other income or loss other than disclosed above.

The notes on page 10 to 18 form part of the financial statements.

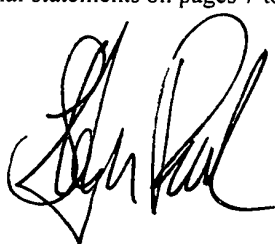
Balance Sheet
At 30 April 2017

	Note	2017	2016
		£	£
Fixed assets			
Tangible assets	9	841,136	462,593
Current assets			
Stocks	10	86,123	70,631
Debtors	11	13,693,717	11,968,437
Cash at bank and in hand		8,897,765	7,790,431
		<u>22,677,605</u>	<u>19,829,499</u>
Creditors: amounts falling due within one year	12	<u>(12,434,595)</u>	<u>(9,014,809)</u>
Net current assets		10,234,010	10,814,690
Total assets less current liabilities		11,084,146	11,277,283
Provisions for liabilities	13	<u>(64,816)</u>	<u>(102,530)</u>
Net assets		11,019,330	11,174,753
Capital and reserves			
Called up share capital	15	100	100
Profit and loss account		<u>11,019,230</u>	<u>11,174,653</u>
Equity shareholders' funds		11,019,330	11,174,753

The notes on page 10 to 18 form part of the financial statements.

The financial statements on pages 7 to 18 were approved by the board of directors and were signed on its behalf by:

S Patrick
Director
Dated:

 29/1/18

M Gorringe
Director



Company registered number: 03184321

Dated:

Statement of Changes in Equity
for the year ended 30 April 2017

	Called up share capital £	Profit and loss reserve £	Total Equity £
At 1 May 2015	100	4,938,119	4,938,219
Total comprehensive income for the period: Profit for the year after taxation	-	14,234,352	14,234,352
Total comprehensive income for the period	-	14,234,352	14,234,352
Transactions with owners, recorded directly in equity: Dividends	-	(7,997,818)	(7,997,818)
Total contributions by and distributions to owners	-	(7,997,818)	(7,997,818)
Balance at 30 April 2016	100	11,174,653	11,174,753

	Called up share capital £	Profit and loss reserve £	Total Equity £
At 1 May 2016	100	11,174,653	11,174,753
Total comprehensive income for the period: Profit for the year after taxation	-	16,844,577	16,844,577
Total comprehensive income for the period	-	16,844,577	16,844,577
Transactions with owners, recorded directly in equity: Dividends	-	(17,000,000)	(17,000,000)
Total contributions by and distributions to owners	-	(17,000,000)	(17,000,000)
Balance at 30 April 2017	100	11,019,230	11,019,330

Notes

(forming part of the financial statements)

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

Basis of preparation

Newcross Healthcare Solutions Limited (registered number 03184321) is private company limited by shares incorporated in England.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102) as issued in August 2014, and with the Companies Act 2006. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling and amounts are rounded to the nearest pound.

The Company's ultimate parent undertaking, Beluga Rock Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Beluga Rock Holdings Limited, within which this Company is included, are publicly available at the address included in note 16. 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.

As the consolidated financial statements of Beluga Rock Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of 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.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

Judgements and key sources of estimation uncertainty

In preparing the financial statements, management have considered the judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. Management have concluded that there are no judgements, estimates or assumptions which have a material effect on amounts recognised in the financial statements.

Going concern

The directors believe that the company is well placed to manage its business risks successfully despite the current uncertain market conditions.

The directors have a reasonable expectation that the company has adequate resources to continue its operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing these financial statements.

Further information regarding the risks and uncertainties faced by the company are included in the Strategic Report on page 2.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes where applicable. Turnover includes revenue earned from the rendering of services and from the sales of goods. Turnover for the provision of temporary staff is recognised when the service has been provided and verified by client. Sales of goods and ancillary services are recognised on the date of the transaction. Permanent placement fees are recognised as invoiced.

Notes (continued)

1 Principal accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Tangible fixed assets

Tangible fixed assets are recorded at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Equipment, fixtures & fittings	10-25%
Computer equipment	50%

Impairment

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Notes (continued)

1 Principal accounting policies (continued)

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment. **Creditors**

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

The company recognises a creditor for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next financial year. The provision is measured at the salary cost payable for the period of absence.

Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement as, either, financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

2 Turnover

Turnover is derived from the ordinary activities of the Company, which is the placement and management of nursing and ancillary staff, wholly undertaken in the UK.

3 Operating profit

Operating profit is stated after charging:

	2017 £	2016 £
Auditors' remuneration (audit of these financial statements)	25,200	21,000
Other services relating to taxation	-	2,975
Operating lease payments	1,176,752	933,141
Depreciation of owned fixed assets	331,846	301,235
Stock recognised as an expense	183,396	148,360

Notes (continued)

4 Interest receivable

	2017 £	2016 £
Interest receivable	7,592	10,870

5 Directors emoluments

	2017 £	2016 £
Aggregate emoluments	575,495	584,600
Benefits in kind	34,840	34,254
Pension	1,120	1,086
	611,455	619,940

There are 3 directors accruing benefits under a money purchase pension scheme.

The aggregate emoluments of the highest paid director was £255,854 (2016: £283,010), including pension contributions of £373 (2016: £362).

6 Employee information

The average number of persons employed by the Company during the year is analysed below:

	2017 Number	2016 Number
Nursing staff	2,392	2,061
Administration	311	254
Management	16	14
	2,719	2,329

Employment costs – all employees:

	2017 £	2016 £
Wages and salaries	67,005,777	57,037,317
Social security costs	5,334,168	4,603,942
Pension costs	277,592	239,040
	72,617,537	61,880,299

Notes (continued)

7 Tax

(a) Tax on profits

	2017 £	2016 £
<i>Current tax:</i>		
UK corporation tax at 19.92% (2016: 20.00%)	4,201,567	3,492,915
<i>Deferred tax</i>		
Origination and reversal of timing differences	(7,964)	(4,577)
Tax on profit (note 7 (c))	<u>4,193,603</u>	<u>3,488,338</u>

(b) Tax included in statement of other comprehensive income

There was no tax recognised as other comprehensive income or in equity in the current or prior periods.

(c) Factors affecting the total tax charge

The tax assessed on the profit is higher than the standard rate of corporation tax in the UK of 19.92% (2016: 20.00%). The differences are reconciled below:

	2017 £	2016 £
Profit before tax	21,038,180	17,722,690
Profit multiplied by standard rate of corporation tax in the UK of 19.92% (2016: 20.00%)	4,190,104	3,544,538
Effects of:		
Non-deductible expenditure	3,115	2,269
Excess capital allowances over depreciation	4,400	(6,470)
Capital items expensed	3,948	3,492
Group relief	-	(50,914)
Other	(7,964)	(4,577)
Total tax expense	<u>4,193,603</u>	<u>3,488,338</u>

c) Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 19% effective from 1 April 2017, and to 18% effective from 1 April 2020. This was subsequently reduced to 17% from 1 April 2020 in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 30 April 2016 has been calculated based on the rate of 19% substantively enacted at the balance sheet date.

Notes (continued)

8 Dividends

The following dividends have been paid in respect of the year:

	2017 £	2016 £
Dividend paid on ordinary shares	17,000,000	7,997,818

Following the end of the year the Company has paid dividends of £8,500,000.

9 Tangible fixed assets

	Equipment fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 May 2016	779,092	1,014,210	1,793,302
Additions	317,747	392,842	710,589
Disposals	-	(200)	(200)
At 30 April 2017	1,096,839	1,406,852	2,503,691
Depreciation			
At 1 May 2016	468,407	862,302	1,330,709
Charge for the year	172,556	159,290	331,846
On disposals	-	-	-
At 30 April 2017	640,963	1,021,592	1,662,555
Net book value			
At 30 April 2017	455,876	385,260	841,136
At 30 April 2016	310,685	151,908	462,593

The depreciation charge is included in administrative expenses in the Profit and Loss Account.

10 Stocks

	2017 £	2016 £
Staff uniforms	86,123	70,631

Notes (continued)

11 Debtors

	2017 £	2016 £
Trade debtors	9,970,549	8,639,182
Amounts owed by group undertakings	526,261	1,268,728
Prepayments and accrued income	3,196,907	2,060,527
	<u>13,693,717</u>	<u>11,968,437</u>

Amounts owed by group undertakings are trading balances and therefore are due on demand and are non-interest-bearing.

12 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	912,320	780,060
Amounts owed to group undertakings	4,748,517	2,776,245
Corporation tax	2,201,567	1,261,498
Other taxation, PAYE and social security	1,713,184	1,694,561
Other creditors	840,132	860,167
Accruals and deferred income	2,018,875	1,642,278
	<u>12,434,595</u>	<u>9,014,809</u>

Amounts owed to group undertakings are trading balances and therefore are due on demand and are non-interest-bearing.

13 Provision for liabilities

	Deferred tax £	Onerous leases £	Total £
At 1 May 2016	72,780	29,750	102,530
Utilisation of provision	(7,964)	(29,750)	(37,714)
At 30 April 2017	<u>64,816</u>	<u>-</u>	<u>64,816</u>

Notes (continued)

13 Provision for liabilities (continued)

Expected timing of any resulting outflows:

The deferred taxation liability provided in the financial statements is as follows:

	Amounts recognised	
	2017	2016
	£	£
Accelerated capital allowances	64,816	72,780

14 Operating lease commitments

As at 30 April 2017 the Company has total commitments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	2017	2016	2017	2016
	£	£	£	£
Expiry date:				
Not later than one year	35,043	73,922	52,694	21,166
Later than one year and not later than five years	1,742,080	1,166,769	457,373	426,009
Later than five years	1,829,064	537,029	-	-
	<u>3,606,187</u>	<u>1,777,720</u>	<u>510,067</u>	<u>447,175</u>

15 Called up share capital

	2017	2016
	£	£
<i>Allotted, called up and fully paid</i>		
100 (2015: 100) ordinary shares of £1 each	100	100

16 Ultimate parent company

The Company continues to be a wholly owned subsidiary of Newcross Nursing Group Limited which in turn is owned and controlled by Beluga Rock Holdings Limited, a company incorporated and registered in Gibraltar. The ultimate controlling parties continue to be S Patrick and M Gorringer by virtue of their shareholding in Beluga Rock Holdings Limited.

The smallest and largest group in which the results of the company are consolidated is that headed by Beluga Rock Holdings Limited. The consolidated financial statements of the group are available to the public at 57/63 Line Wall Road, Gibraltar.

Notes (continued)

17 Related party transactions

During the year the Company traded with the following related undertakings:

	Sales £	Purchases £	Year end Debtor/ (Creditor) 2017 £
Senlac Limited (wholly owned by S Pattrick and M Gorringe)	-	316,451	-
	<u> </u>	<u> </u>	<u> </u>

18 Guarantees

The Company has provided a cross guarantee with regards to the bank loans held by its parent company, Newcross Nursing Group Limited. As at 30 April 2017, the bank loans held by Newcross Nursing Group Limited amounted to £nil (2016: £661,666).

Where the Company has entered into financial guarantee contracts to guarantee the indebtedness of other Companies within its Group, the Company consider these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.