

Cornwall Care Services Limited

Annual report

for the year ended 31 December 2016

Company registration number 07607721

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Cornwall Care Services Limited

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Cornwall Care Services Limited

Strategic report for the year ended 31 December 2016

The directors present their strategic report for the year ended 31 December 2016.

Principal activities

The principal activity of the Company is administrative and care work, on behalf of its holding company, Cornwall Care Limited. The payroll costs involved are passed onto Cornwall Care Limited on a cost plus percentage basis.

Review of business

The results for the year are set out in the profit and loss account on page 7 of the accounts. The directors do not consider that a further analysis of Key Performance Indicators is required in order to obtain an understanding of the financial performance and position of the company.

Principal risks and uncertainties

The Directors have reviewed and reassessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems are in place to mitigate exposure to major risks.

The Board of Directors and Audit Committee ensure that the major risks to which the company is exposed have been identified and systems put in place to mitigate these risks on an annual basis.

The year has seen the continued management of existing risks balanced with our response to new risks and the challenges they present. A balance has been struck between specific operational risks and more strategic issues. These include risks associated with personalisation, commissioning and the impact of reductions in public sector budgets.

By order of the board



Mr P K Rees
Director

18 May 2017

Cornwall Care Services Limited

Directors' report for the year ended 31 December 2016

The directors present their annual report and audited financial statements for the year ended 31 December 2016.

Directors

The following directors held office during the year:

Mr J K Acornley
Mr R J A Black
Mr M J S Beadel (appointed 9 December 2016)
Mr S J T Clague (appointed 16 May 2016)
Dr A E Felton
Mrs G M Lavery
Mrs D A Matthews-Smith (appointed 16 May 2016)
Mr P K Rees
Dr A Stanhope (resigned 31 December 2016)
Ms D Wilshire

Company Secretary

Mr S J T Clague (appointed 16 May 2016)

Auditors

PKF Francis Clark
Vantage Point
Pynes Hill
Exeter
EX2 5FD

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 charitable company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Cornwall Care Services Limited

Directors' report for the year ended 31 December 2016 (continued)

Financial risk management

The group's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk. These risks primarily impact the parent charity Cornwall Care Limited and are described further in the directors' report of the parent charity's financial statements.

Disclosure of information to the auditors

Insofar as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the board



Mr P K Rees
Director

18 May 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNWALL CARE SERVICES LIMITED

We have audited the financial statements of Cornwall Care Services Limited for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 FRS102 "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 auditors

As explained more fully in the Directors' Responsibilities Statement 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 to the financial statements.

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 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 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNWALL CARE SERVICES LIMITED (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

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

In the light of our knowledge and understanding of the company and its environment obtained during the course of our audit, we have not identified material misstatements in the Directors Report.

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

D. Leslie

DUNCAN LESLIE (Senior Statutory Auditor)

PKF Francis Clark

Statutory Auditor

Vantage Point
Woodwater Park
Pynes Hill
Exeter
Devon
EX2 5FD

Date:

5/6/17

Cornwall Care Services Limited

Profit and loss account for the year ended 31 December 2016

		2016 £'000	2015 £'000
	Notes		
Turnover		21,053	19,462
Cost of sales		-	-
Gross profit		21,053	19,462
Administrative expenses		(20,154)	(18,591)
Gift Aid		(907)	(878)
Operating loss	3	(8)	(7)
Other interest receivable and similar income		-	-
Loss on ordinary activities before taxation		(8)	(7)
Tax on loss on ordinary activities	5	-	-
Loss on ordinary activities after taxation		<u>(8)</u>	<u>(7)</u>

Cornwall Care Services Limited

Balance Sheet as at 31 December 2016

	Notes	2016 £'000	2015 £'000
Fixed Assets			
Tangible assets	6	8	15
Investment		-	-
Current assets			
Debtors	7	1,685	1,394
Cash at Bank and cash in hand		16	10
		<u>1,701</u>	<u>1,404</u>
Creditors : amounts fall due within one year	8	<u>(1,701)</u>	<u>(1,403)</u>
Net current assets		-	1
Net assets		<u><u>8</u></u>	<u><u>16</u></u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		8	16
Shareholders' funds		<u><u>8</u></u>	<u><u>16</u></u>

The financial statements were approved by the board of directors on 18 May 2017 and were signed on its behalf by:



Mr P K Rees
Director

Registered No: 07607721

Cornwall Care Services Limited

Statement of changes in equity

At 31 December 2016

	<i>Called up share capital</i> £'000	<i>Profit and loss account</i> £'000	<i>Total</i> £'000
At 1 January 2015	-	23	23
Loss for the financial year	-	(7)	(7)
At 31 December 2015	-	16	16
Loss for the financial year	-	(8)	(8)
At 31 December 2016	-	8	8

Cornwall Care Services Limited

Notes to the financial statements for the year ended 31 December 2016

1. Accounting policies

Cornwall Care Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is Cornwall Care House, Truro Business Park, Truro, TR4 9NY.

Basis of accounting and basis statement of compliance

The company's financial statements have been prepared in accordance with FRS102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Cornwall Care Services Limited has taken advantage of the exemption not to prepare a cash flow statement as consolidated financial statements for the parent charity have been prepared and the parent charity has not objected to the exemption being taken.

Turnover

Turnover represents the value of care services, excluding value added tax, provided to the parent company during the year. Revenue is recognised when the service is provided.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is provided on tangible fixed assets once they have been brought into use at rates calculated to write off the cost less residual value of each asset over its expected useful life of:

- Computer equipment 4 years

Tax

Tax expense represents the sum of the current tax currently payable and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Financial instruments

Financial assets and liabilities are recognised/(derecognised) when the company becomes/(ceases to be) party to the contractual provisions of the instrument. The company holds the following financial assets and liabilities:

- Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded

Cornwall Care Services Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

1. Accounting policies (continued)

at transaction price. Any losses arising from impairment are recognised in the profit and loss account before operating profit.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgements and estimates that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- *Useful lives of fixed assets – computer equipment.*

2. Interest payable and similar charges

	2016 £'000	2015 £'000
Interest payable to group companies	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

3. Operating (loss)/profit

	2016 £'000	2015 £'000
Operating profit is stated after charging:		
Auditors remuneration	1	1
Gift Aid charge	907	878
	<u>907</u>	<u>878</u>

Cornwall Care Services Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

4. Staff numbers and costs

The average monthly number of persons employed by the company during the year was as follows (the numbers include full and part time employees):

	2016	2015
	No.	No.
Care Services	1,226	1,193
Management and administration	53	49
	<u>1279</u>	<u>1,242</u>

The aggregate payroll costs of these persons were as follows:

	2016	2015
	£'000	£'000
Wages and salaries	17,697	15,887
Social security costs	1,061	925
Other pension costs	220	180
	<u>18,978</u>	<u>16,992</u>

In addition to the above, payroll costs of £687k (2015 £1,101k) were recharged by Cornwall Care Limited to the company during the year.

Directors remuneration:

	2016	2015
	£'000	£'000
Emoluments	272	123
Other pension costs	22	-
	<u>294</u>	<u>123</u>

In addition, payroll costs of £nil (2015 £314k) were recharged by Cornwall Care Limited in respect of directors of Cornwall Care Services Limited.

Cornwall Care Services Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

5. Tax on (loss)/profit on ordinary activities

	2016 £'000	2015 £'000
Current tax		
United Kingdom Corporation Tax for the period	-	-
Adjustments in respect of prior periods	-	-
	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Adjustments in respect of previous periods	-	-
Tax (credit)/charge on (loss) / profit on ordinary activities		
	-	-

The tax for the year is explained below:

	2016 £'000	2015 £'000
(Loss) on ordinary activities before tax	(7)	(7)
(Loss) on ordinary activities at 20% (2015: 20%)	(1)	(1)
Effects of:		
Depreciation in excess of capital allowances	1	1
Total current tax (credit)/charge		
	-	-

Cornwall Care Services Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

6. Fixed Assets

a. Tangible assets

	Fixtures, fittings and equipment £'000	Total £'000
Cost or valuation		
At 1 January 2016	29	29
Additions	-	-
At 31 December 2016	29	29
Depreciation		
At 1 January 2016	14	14
Charge for year	7	7
At 31 December 2016	21	21
Net book value		
At 31 December 2016	8	8
At 31 December 2015	15	15

b. Investment

	2016 £	2015 £
Cost:		
At 1 January and 31 December	1	1

The company owns the whole of the issued share capital of the following company:

	Principal activity
Cornwall Care Property Limited	Property Developer

The registered office of Cornwall Care Property Limited is Cornwall Care House, Truro Business Park, Truro, TR4 9NY.

Cornwall Care Services Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

7. Debtors

	2016 £'000	2015 £'000
Amounts owed by group undertakings	1,679	1,371
Other	1	14
Prepayments	5	9
	<u>1,685</u>	<u>1,394</u>

8. Creditors : amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	5	5
Other creditors	1,686	1,397
Accruals	10	1
	<u>1,701</u>	<u>1,403</u>

9. Share capital

	2016 £	2015 £
Authorised		
1 Ordinary share of £1 each	1	1
Allotted, called up and fully paid		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

Notes to the financial statements for the year ended 31 December 2016
(continued)

10. Related party transactions

The only key management personnel are the directors. The aggregate compensation paid to them is the amount shown in note 4 as Directors Remuneration.

11. Control

The ultimate controlling party is the board of directors of the parent undertaking. The results of Cornwall Care Services Limited are included in the consolidated financial statements of the parent Charity. A copy of the financial statements for the parent charity, Cornwall Care Limited, can be obtained from its registered office, Cornwall Care House, Truro Business Park, Truro, TR4 9NY.

12. Contingent liability

The company has guaranteed the bank borrowings of its holding company. At the year end the value of the liability of those guarantees totalled £10.60 m (2015 £9.65 m).