

Report to Care Dorset Shareholder Committee, June 2023

Amendment of Annual Reporting dates for Companies House

Care Dorset Holding Ltd and Care Dorset Ltd Annual Return

Introduction

1. Due to the way that Dorset Council originally set up the group of companies that comprises Care Dorset, specifically that Care Dorset Ltd was registered with Companies House on 26 January 2022 and then Care Dorset Holding Ltd on 1 July 2022. This implies two different annual reporting dates, one in January and one in July, due to the inception dates.

Position

2. Care Dorset needed to address two issues in setting the reporting date for each company. First, we needed to harmonise the reporting date so that both companies' year-end was on the same date. Secondly, we needed to allow enough time to prepare for Care Dorset's annual report and accounts. The latter is particularly affected by Care Dorset's need to establish effective financial reporting and control systems for our first trading year, exacerbated by the previous provider's non-cooperation during the transfer and lack of due diligence information being shared with Dorset Council and Care Dorset.
3. Taking the two companies together, we could only extend the latest reporting date only to 30 June 2023.
4. Section 139 of the Companies Act 2013 requires Care Dorset's board to appoint its first auditors. Care Dorset's Board appointed PKF Francis Clark as auditor after a comprehensive selection process. Following the first appointment of auditor, shareholders appoint auditors through a resolution passed at the annual general meeting.
5. During the process of appointing auditors, it became clear that with four months between the year-end and the filing deadline of 26 October, there was a risk that the filing deadline would be hard to be met, with the complexities of the dual company (Holdings and Limited) as well as the residual risk from the transfer.
6. During our first audit planning meeting with PKF Francis Clark, the issue of the risk to the October filing date was raised. PKF Francis Clark proposed a solution to mitigate that risk.
7. It proposed Care Dorset file dormant accounts to 30 September 2022. Companies House recognise a company is dormant if it had no significant transactions - Care Dorset did not have an operating bank account until October 2022.
8. For absolute clarity, the dormant accounts would be for the period that Care Dorset was not trading, from initial inception until the week before going live and transferring the business from the previous provider. This meets the criteria and threshold for being dormant by Companies House.



9. Doing so means we can then file Care Dorset's first trading accounts as of 30 September 2023, allowing us to file our annual report with Companies House by June 2024, although there is nothing to prevent filing earlier if we are ready and wish to. Filing our first trading report shows Companies House the company is no longer dormant.
10. Taking the proposed approach allows us time to ensure our year-end report is robust and capable of being audited in good time and allows us to manage the risk to the filing deadline.
11. This proposed approach was agreed in principle and recommended for agreed by Shareholder on the 8 June 2023 at the Board of Directors meetings for Care Dorset. As a reserved matter, Care Dorset is seeking approval from our shareholder for a prudent move of our year end position to suitably conduct our audit in good time before filing a full year of accounts.
12. It has the added advantage of producing financial statements for a full 12 months for our first report, aiding comparison and making it easier for users in future years if we continue to report on 30 September. Should we wish, we can bring our filing date forward should we need to for later financial statements.
13. Through discussion with Dorset Council finance colleagues, changing Care Dorset's reporting date has no impact on Dorset Council as owners, should it wish to consolidate Care Dorset's accounts into its financial statements.

Recommendation

14. The Shareholder approves the recommendation of movement of our year end to 30 September 2023.
15. That the Shareholder notes that Care Dorset will file dormant accounts for the period up to 30 September 2022 with Companies House.